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WAKEFIELD, DAVIS, EASTON, BROWN, AND SNYDER NOMINATIONS

HEARING

BEFORE THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

ON THE

NOMINATIONS OF STEPHEN WAKEFIELD TO BE GENERAL COUNSEL; JON MICHAEL DAVIS TO BE ASSISTANT SECRETARY, CONSERVATION AND RENEWABLE ENERGY; JOHN J. EASTON, JR. TO BE ASSISTANT SECRETARY, INTERNATIONAL AFFAIRS AND ENERGY EMERGENCIES; JACQUELINE KNOX BROWN TO BE ASSISTANT SECRETARY, CONGRESSIONAL, INTERGOVERNMENTAL AND PUBLIC AFFAIRS, DEPARTMENT OF ENERGY; AND HARRY M. SNYDER TO BE DIRECTOR, OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR

JULY 18, 1989

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WAKEFIELD, DAVIS, EASTON, BROWN, AND SNYDER NOMINATIONS

TUESDAY, JULY 18, 1989

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 9:40 a.m., in room SD-366, Dirksen Senate Office Building, Hon. J. Bennett Johnston, chairman, presiding.

OPENING STATEMENT OF HON. J. BENNETT JOHNSTON, U.S. SENATOR FROM LOUISIANA

The CHAIRMAN. The hearing will come to order. This is a hearing on President Bush's nominations of Stephen A. Wakefield to be General Counsel, Department of Energy, J. Michael Davis to be Assistant Secretary for Conservation and Renewable Energy of the Department of Energy, John J. Easton, Jr. to be Assistant Secretary for International Affairs and Energy Emergencies of the Department of Energy, Jacqueline Knox Brown to be Assistant Secretary for Congressional & Intergovernmental Affairs of DOE, and Harry M. Snyder to be Director of the Office of Surface Mining Reclamation & Enforcement of the Department of the Interior.

Without objection, your written testimony and the committee questionnaire and the financial disclosure statements will be submitted for the record and in the meantime we have quite an accumulation of Senate power here, which we will hear from immediately, beginning with the distinguished Senator from Texas, the Chairman of the Senate Finance Committee, Lloyd Bentsen.

STATEMENT OF HON. LLOYD BENTSEN, U.S. SENATOR FROM TEXAS

Senator BENTSEN. Thank you very much, Mr. Chairman.

It is a pleasure for me to be before this Committee again and this time to introduce Stephen Wakefield, who is the nominee of President Bush to be the General Counsel for the Department of Energy.

It brings back some memories to me. I was before the Committee introducing Mr. Wakefield 16 years ago, and he did a very excellent job at that time. He comes back even wiser and more experienced, and as a senior partner in Baker & Botts, which is an outstanding law firm in Houston. He chairs the energy section of that very major law firm both in Houston and in Washington and having been a client of that firm from time to time, I can attest to the abilities of that firm.

But he has had the general practice in energy, representing private clients, utility companies, a rather diverse practice in that particular field, that I think will stand him in very good stead in representing the Department of Energy as its General Counsel.

He has been a long-time civic leader. He has been interested in public service and has been a major contributor to it, so I strongly endorse his nomination.

[The prepared statement of Senator Bentsen follows:]

Testimony by
U.S. Senator Lloyd Bentsen
Committee on Energy and Natural Resources
July 18, 1989
9:30 a.m. at SD-366

Mr. Chairman, it is a pleasure for me to come here today to introduce and recommend to you a distinguished Texan, Mr. Stephen Wakefield of Houston, Texas, who has been nominated by President Bush to be the General Counsel of the Department of Energy.

Mr. Wakefield has been an attorney and civic leader in Houston for many years. He has been a senior partner in the law firm of Baker & Botts and Chairman of the firm's energy practice in Houston and Washington, D.C., representing clients with interest in oil and gas, electric utilities and other energy industries.

Mr. Wakefield brings with him not only many years of legal experience important to the Department of Energy but also previous government experience in Washington, D.C. He served both as Assistant Secretary of the Interior for Energy and Minerals and later as Assistant Administrator of International Affairs for the Federal Energy Office during the 1973 Arab oil embargo. I believe Mr. Wakefield knows first hand the importance of a national energy policy for the United States.

I believe Mr. Wakefield is an excellent choice to serve as General Counsel of the Department of Energy. I hope the Committee will act promptly and favorably on this nomination, and I appreciate the opportunity to appear before you this morning.

The **Chairman**. Thank you very much, Senator Bentsen, and I know you have matters to attend to so we will release you to go as you please.

Next in the order of seniority is our distinguished colleague on this Committee from Kentucky, Senator Wendell Ford, and if I had to guess I would say it has something to do with coal.

Senator **Ford**. Mr. Chairman, since we are going to take the OSM director separate, why do I not just withhold and let these other Senators go first, since they can leave—I am going to be here—so we will expedite their time a little bit.

Senator **Gramm**. What a wonderful thing.

Senator **Ford**. Coming from Phil Gramm it worries the hell out of me, though.

The **Chairman**. We will therefore hear from the distinguished Chairman of the Senate Agricultural Committee, Patrick J. Leahy from the great State of Vermont.

STATEMENT OF HON. PATRICK J. LEAHY, U.S. SENATOR FROM VERMONT

Senator **Leahy**. Thank you, Mr. Chairman, and thank you Senator Ford for giving me this opportunity, because the Hastings trial on downstairs, it helps a great deal.

I am very, very proud to be here for John Easton, who, Mr. Chairman, you have already noted has been nominated for Assistant Secretary, International Affairs.

I have known John for a long, long time. He, like my good friend Jim Jefford, served as Attorney General of the State of Vermont. We knew each other and worked with each other during that time and he ran a spirited campaign for Governor of Vermont and one of the things that impressed me so much in that campaign, John made a point to go out and work on just about every type of job there was in the state for a few days, just to be with the people. From farmers, to trash collectors, diners, offices, you name it, he did it at some point during that campaign and I think had a very good and real interest not only in Vermont but in people who never get a chance, really, to be directly related to government and I applaud him for that.

I think he will take the same kind of hands-on attitude in this job. So I would say, Mr. Chairman, unequivocally I would strongly endorse him for this position and for confirmation.

Perhaps to paraphrase Senator Ford, I hope that that does not in any way create problems for John Easton, coming from a member of the other party in that regard, but I think that I can speak for Vermonters, both Republicans and Democrats. We are very proud of John Easton. We would be very, very proud of him in this position.

Thank you, Mr. Chairman.

The **Chairman**. Thank you very much, Senator Leahy. Next, we have my neighbor from Mississippi, my good friend Thad Cochran.

STATEMENT OF HON. THAD COCHRAN, U.S. SENATOR FROM MISSISSIPPI

Senator COCHRAN. Thank you, Mr. Chairman. Mr. Chairman, it is really a great pleasure to be before your Committee this morning to recommend to you Jacqueline Knox Brown, who has been nominated by President Bush to serve the Department of Energy as Assistant Secretary for Congressional, Intergovernmental and Public Affairs.

I have had the pleasure of knowing Ms. Brown since about 1974, when she was working as a member of a research team on the House side of the Capitol. When I was elected to the Senate I invited her to join my staff as a legislative assistant and she performed really beautifully in that capacity up until about two years ago, when she left the Hill to join the Commission directed by Admiral Watkins, the so-called AIDS Commission, as a senior policy analyst.

During the time she worked for me she handled a wide variety of legislative issues, including health care, some of the more complicated matters that we were dealing with in the Senate at the time, and did so with a great deal of skill, personal charm and grace.

She has unique abilities that she will bring to this job and I predict that she will be one of the best assistant secretaries at the Department of Energy that they have ever had.

She is a native of Washington, D.C. She has a degree in Economics from Howard University. She took graduate courses while she was on my staff at night, at the same time being a mother and a wife, and she has a great deal of ability, a lot of intelligence, and I know that you will be pleased working with her in this capacity.

She is here today with some of the members of her family. Suzie Gaskins, her mother is here. Her daughter, Dee Knox, and other members of her family are here, and I know they join me in wishing her well and congratulating her on this wonderful opportunity that she will have with the Department of Energy if you see fit to recommend her confirmation, and I hope you will.

I cannot recommend her any more highly than just to say that I think she is uniquely and especially qualified for this job and I give her my highest recommendation, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Cochran. We appreciate your testimony. Next we are glad to welcome back to the Committee Bill Armstrong from Colorado.

STATEMENT OF HON. WILLIAM L. ARMSTRONG, U.S. SENATOR FROM COLORADO

Senator ARMSTRONG. Thank you, Mr. Chairman. I appreciate your courtesy and I am glad to have a chance to speak to the Committee for a moment and to introduce Mr. Michael Davis of Lakewood, Colorado, who has been recommended by the President for appointment.

Without a doubt, Mike Davis would make an outstanding Assistant Secretary for Conservation and Renewable Energy. He is distinguished and an expert in his field, not only in the private sector but in the public sector as well. As the Committee gets to know him I think that members will feel, as I do, that he is pragmatic, that he has got a lot of common sense, and that he is a guy who can get things done.

Mr. Davis received his degree in civil engineering at the U.S. Air Force Academy and his master of science in civil engineering at the University of Illinois. Mike Davis possesses strong management skills and organizational leadership.

I mentioned that he has been active in the private sector. He has co-owned two energy businesses and is currently the president of Glocor, Incorporated—Glocor Colorado, Incorporated—which is located in Inglewood.

Prior to Mr. Davis' success in the private sector, he served for three years as a division manager of the U.S. Department of Energy and for two years as a senior manager at the Solar Energy Research Institute, and so Mike Davis brings to this assignment, should the Committee and the Senate confirm him, great expertise and background and I think he will do a great job. I recommend him highly.

The CHAIRMAN. Thank you very much, Senator Armstrong. Next, we are glad to welcome back to the Committee Phil Gramm from Texas.

STATEMENT OF HON. PHIL GRAMM, U.S. SENATOR FROM TEXAS

Senator GRAMM. Thank you, Mr. Chairman. I am happy to join my senior colleague, Senator Bentsen, in recommending Stephen Wakefield.

Stephen Wakefield is an outstanding attorney. He is a senior partner at Baker, Botts. He has the energy practice and that energy practice, of course, is one of the most important and largest in the country.

He has extensive experience in government. He has been Assistant to the General Counsel of the Federal Power Commission. He has been Deputy Assistant Secretary of the Interior. He has been Assistant Secretary of Interior for Energy and Minerals. He was Assistant Administrator for International Affairs at the old Federal Energy Office.

I cannot think of anybody that is better qualified by knowledge of law in the area that they are going to be practicing, or by experience in having worked in numerous Federal bureaucracies, than is Stephen Wakefield and I am glad, Mr. Chairman, to strongly recommend him to you.

The CHAIRMAN. Thank you very much, Senator Gramm. Finally, we are glad to welcome our esteemed member of this Committee, Tim Wirth.

STATEMENT OF HON. TIMOTHY E. WIRTH, U.S. SENATOR FROM COLORADO

Senator WIRTH. Mr. Chairman, thank you very much, and thank you for your expeditious handling of these appointments, particularly that of Mike Davis.

Mr. Chairman, you are very aware of my own deep concern about conservation and alternative energy programs, and fortunately this Administration has seen fit to bring in a real pro to take this one on.

Mike Davis has a lot of experience in this area. He has been a senior executive with the Solar Energy Research Institute in Golden, Colorado, has his own company, and is a man who also has a great deal of administrative experience.

I think his priorities are where I think this Committee would like to see them and I think he is going to bring to the Administration a very clear voice and a commitment, and will be a channel for all of those people out there who have a deep concern not only for solar, as the Solar Energy Industry Association is delighted with his appointment and is strongly backing it, but also the whole realm of conservation interests that are going to become so increasingly important.

I know that we will enjoy working with Mr. Davis and, Mr. Chairman, I am delighted to be able to be here to introduce him to the Committee and to advocate his rapid confirmation by the Committee and the Senate.

The CHAIRMAN. Thank you very much.

Senator WIRTH. Thank you, Mr. Chairman.

The CHAIRMAN. Now, if Mr. Wakefield—Senator McConnell I understand is here. Yes, here he is. We would like to welcome Senator McConnell from Kentucky to the—do you want to be heard from?

Senator FORD. Well, I waited.

The CHAIRMAN. I think we can go ahead and handle Mr. Snyder at the same time as the DOE nominees.

STATEMENT OF HON. WENDELL H. FORD, U.S. SENATOR FROM KENTUCKY

Senator FORD. Fine. I have one eloquent statement here and I want you to hear it.

Mr. Chairman and members of the Committee, I am delighted to be able to introduce the man I believe will prove himself to be an extraordinarily capable Director of the Office of Surface Mining Reclamation and Enforcement.

Harry Snyder is a native Kentuckian. He was educated at Georgetown College and received his law degree from the University of Kentucky College of Law in 1966. He has had a distinguished career as an educator and in public service in Kentucky. He has also been successful in business. Those are the bare bones facts, Mr. Chairman, and they are important.

But as usual, straight facts do not give the more essential ingredients about how to judge a person's qualifications for serving the interests of the people. I have come to know Harry Snyder as a man of conviction, of principle, and as a dedicated public servant. His values are ones I honor and share. His ability to manage and lead are qualities I admire.

He has been nominated by the President to take on a most difficult task, and he will need all of the attributes I have mentioned and a few more, like a thick hide. He is up to the task, I know, just as he was up to the task when I pressed him into service as legal counsel and later as Executive Director of the Kentucky Council on Higher Education.

Some may have questioned why I, as a democratic governor, would appoint a Republican to such a critically important job. Mr. Chairman, the answer was simple. I needed, and the people of Kentucky deserved, the best person available to get our education system moving in the right direction. I trusted Harry Snyder to do the job, and he succeeded.

President Bush is trusting Harry with another important test of his abilities. I believe he will be as successful in Washington as he was at home and I believe we will all enjoy the opportunity of working with him.

Some may say his experience precludes concern for environmental needs. Just the opposite is true. Because of his intimate knowledge of the coal industry, Mr. Snyder is especially attuned to the views of all parties.

Indeed, Mr. Snyder in recent newspaper interviews has shown a sensitivity to those needs and has won favorable comments from editorial boards in Kentucky for his courage to listen to all those who are concerned about both the economic health of the coal industry and the preservation of our land for future generations.

I will support Mr. Snyder with all that I can. As shown by his impressive track record he will do the job that is necessary, but he will not be able to do it until he is confirmed. So Mr. Chairman, I urge that we expeditiously confirm Mr. Snyder so we can send his nomination to the full Senate before the August recess so he can be on the job as soon as possible.

I thank the Chairman.

[The prepared statement of Senator Ford follows:]

Statement by Honorable Wendell Ford
United States Senator from Kentucky

before the
Senate Committee on Energy and Natural Resources

Mr. Chairman and distinguished members of the Committee, I am delighted to be able to introduce the man I believe will prove himself to be an extraordinarily capable Director of the Office of Surface Mining, Reclamation and Enforcement.

Harry Snyder is a native of Kentucky. He was educated at Georgetown College and received his law degree from the University of Kentucky College of Law in 1966. He has had a distinguished career as an educator and in public service in Kentucky. He has also been successful in business. Those are the bare bones facts--and they are important. But as usual, straight facts don't give the more essential ingredients about how to judge a person's qualifications for serving the interest of the people.

I have come to know Harry Snyder as a man of conviction, of principle and as a dedicated public servant. His values are ones I honor and share. His ability to manage and lead are qualities I admire. He has been nominated by the President to take on a most difficult task and he will need all of the attributes I have mentioned and a few more--like a thick hide. He is up to the task I know, just as he was up to the task when I pressed him into service as legal counsel and later as executive director of the Kentucky Council on Higher Education. Some may have questioned why I, as a Democratic Governor, would appoint a Republican to such a critically important job. The answer was simple. I needed, and the people of Kentucky deserved, the best person available to get our education system moving in the right direction. I trusted Harry Snyder to do the job and he succeeded. President Bush is trusting Harry with another important test of his abilities. I believe he will be as successful in Washington as he was at home and I believe we will all enjoy the opportunity of working with him.

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I will support Mr. Snyder all that I can. As shown by his impressive track record, he'll do the job that's necessary. But he won't be able to do it until he is confirmed.

Mr. Chairman, I urge that we expeditiously confirm Mr. Snyder so we can send his nomination to the full Senate before the August recess and so the he can be on the job as soon as possible.

The CHAIRMAN. Thank you very much, Senator Ford. Senator McConnell, welcome to the Committee.

STATEMENT OF HON. MITCH McCONNELL, U.S. SENATOR FROM KENTUCKY

Senator McCONNELL. Thank you, Mr. Chairman.

A number of Kentuckians are in the process of assuming significant policy roles in the Bush Administration. Among them, I suppose the one I am the most enthusiastic about is my friend Harry Snyder, with whom I went to law school many years ago and watched his career over the years. In every single position that Harry has held a public responsibility he has done the job with great ability.

He is tackling a tough assignment. I remember when we first discussed the possibility that he might head the Office of Surface Mining I said, look at it this way. You cannot possibly fail. There is no way but up.

It is clearly one of the toughest assignments in the Federal Government and I do not think the President could have found a better person to assume this difficult task than Harry Snyder and so I am here, Mr. Chairman, to give him my enthusiastic support and introduce him, along with my colleague Senator Ford, to the Committee and hope that he will be speedily confirmed so that he can go over there and start this most difficult task and I wish you well, Harry.

[The prepared statements of Senators McClure and McConnell follow:]

OPENING STATEMENT OF SENATOR JAMES A. MCCLURE

HEARING TO CONSIDER NOMINATIONS TO THE DEPARTMENT OF ENERGY:

STEPHEN A. WAKEFIELD TO BE GENERAL COUNSEL;
J. MICHAEL DAVIS TO BE ASSISTANT SECRETARY FOR
CONSERVATION & RENEWABLE ENERGY;
JOHN J. EASTON, JR., TO BE ASSISTANT SECRETARY FOR
INTERNATIONAL AFFAIRS AND ENERGY EMERGENCIES;
JACQUELINE KNOX BROWN TO BE ASSISTANT SECRETARY FOR
CONGRESSIONAL & INTERGOVERNMENTAL AFFAIRS;

AND

HARRY M. SNYDER TO BE DIRECTOR OF THE
OFFICE OF SURFACE MINING RECLAMATION & ENFORCEMENT OF THE
DEPARTMENT OF THE INTERIOR

July 18, 1989

GOOD MORNING. I WOULD LIKE TO BEGIN BY WELCOMING TO THE COMMITTEE TODAY OUR FIVE PRESIDENTIAL NOMINEES. I AM PLEASED TO SUPPORT THE NOMINATIONS OF STEPHEN A. WAKEFIELD TO BE GENERAL COUNSEL OF THE DEPARTMENT OF ENERGY; J. MICHAEL DAVIS TO BE AN ASSISTANT SECRETARY OF ENERGY FOR CONSERVATION & RENEWABLE ENERGY; JOHN J. EASTON, JR., TO BE AN ASSISTANT SECRETARY OF ENERGY FOR INTERNATIONAL AFFAIRS AND ENERGY EMERGENCIES; JACQUELINE KNOX BROWN TO BE AN ASSISTANT SECRETARY OF ENERGY FOR CONGRESSIONAL & INTERGOVERNMENTAL AFFAIRS; AND HARRY M. SNYDER TO BE DIRECTOR OF THE OFFICE OF SURFACE MINING RECLAMATION & ENFORCEMENT OF THE DEPARTMENT OF THE INTERIOR.

MR. WAKEFIELD HAS EXCELLENT QUALIFICATIONS FOR THE POSITION OF GENERAL COUNSEL OF THE DEPARTMENT OF ENERGY, WITH EXPERIENCE IN BOTH THE PUBLIC AND PRIVATE SECTORS. MR. WAKEFIELD IS A FORMER ASSISTANT SECRETARY OF THE INTERIOR FOR ENERGY AND MINERALS AS WELL AS THE FORMER ASSISTANT ADMINISTRATOR FOR DOE'S PREDECESSOR, THE FEDERAL ENERGY OFFICE. HE CURRENTLY IS A SENIOR PARTNER WITH THE LAW FIRM OF BAKER & BOTTS IN HOUSTON, TEXAS.

MR. DAVIS HAS A STRONG EDUCATIONAL, TECHNICAL AND BUSINESS BACKGROUND WHICH MAKES HIM WELL-QUALIFIED FOR THE POSITION OF ASSISTANT SECRETARY FOR CONSERVATION & RENEWABLE ENERGY. SINCE 1986, MR. DAVIS HAS SERVED AS THE PRESIDENT OF GLOWCORE COLORADO, INC. AND FROM 1982-86 WAS VICE PRESIDENT OF SUNBELT ENERGY CORP. PRIOR TO JOINING THE PRIVATE SECTOR, MR. DAVIS WORKED IN VARIOUS MANAGEMENT POSITIONS AT THE DEPARTMENT OF ENERGY'S SOLAR ENERGY RESEARCH INSTITUTE AS WELL AS SERVING AS A DIVISION MANAGER IN DOE'S SOLAR-THERMAL PROGRAM. HE IS A REGISTERED PROFESSIONAL ENGINEER AND SERVED ON THE ADVISORY BOARD FOR THE COLORADO OFFICE OF ENERGY CONSERVATION.

MR. EASTON HAS HAD AN EXTENDED CAREER AS AN ATTORNEY BOTH IN PRIVATE PRACTICE AND IN STATE GOVERNMENT. HE SERVED AS ATTORNEY GENERAL OF THE STATE OF VERMONT FROM 1981-1985 AND AS ASSISTANT ATTORNEY GENERAL FOR THAT STATE FROM 1975-1978. MR. EASTON WAS IN PRIVATE PRACTICE FOR APPROXIMATELY EIGHT YEARS. HE CURRENTLY SERVES AS A PRINCIPAL DEPUTY ASSISTANT SECRETARY OF ENERGY.

MRS. BROWN HAS HAD AN EXTENDED CAREER IN PUBLIC SERVICE. SHE SERVED IN A VARIETY OF STAFF POSITIONS IN THE CONGRESS FROM 1972-1988. FOLLOWING HER POSITION AS MINORITY STAFF DIRECTOR OF THE SENATE LABOR AND HUMAN RESOURCES COMMITTEE'S SUBCOMMITTEE ON AGING, SHE JOINED SECRETARY WATKINS AS A SENIOR POLICY ANALYST FOR THE PRESIDENT'S AIDS COMMISSION. MRS. BROWN'S FAMILIARITY WITH THE CONGRESS AND THE LEGISLATIVE PROCESS, AS WELL AS HER EXPERIENCE WITH THE EXECUTIVE BRANCH OF GOVERNMENT, WILL SERVE HER WELL IN THE POSITION OF ASSISTANT SECRETARY FOR CONGRESSIONAL & INTERGOVERNMENTAL AFFAIRS.

MR. SNYDER'S BACKGROUND AS BOTH AN ATTORNEY AND EDUCATOR WILL BRING STRENGTH TO THE DEPARTMENT OF THE INTERIOR'S OFFICE OF SURFACE

MINING RECLAMATION AND ENFORCEMENT. MR. SNYDER IS CURRENTLY VICE PRESIDENT FOR STATE RELATIONS FOR CSX CORPORATION IN KENTUCKY, SERVING AS THE CORPORATION'S LIAISON WITH THE KENTUCKY LEGISLATURE AND LOCAL GOVERNMENT. PRIOR TO JOINING CSX, MR. SNYDER WAS THE EXECUTIVE DIRECTOR FOR THE KENTUCKY COUNCIL ON HIGHER EDUCATION.

MR. CHAIRMAN, I AM PLEASED TO BE ABLE TO SUPPORT ALL FIVE NOMINEES.

INTRODUCTION FOR HARRY M. SNYDER'S CONFIRMATION HEARING

JULY 18, 1989

SENATOR MITCH MCCONNELL

Mr. Chairman, fellow members of the Committee, I am pleased to join my colleague Senator Ford in introducing Harry M. Snyder, a native Kentuckian, as the Administration's nominee for the position of Director of the Office of Surface Mining Reclamation and Enforcement. I am most delighted the Energy and Natural Resources Committee is now holding the confirmation hearing on President Bush's selection. As I have stated in past nomination hearings, I have been extremely pleased and encouraged by the President's excellent selections. Harry Snyder is certainly no exception and I believe that he is a fine choice.

As he assumes his new responsibilities, Harry will bring with him the honesty, integrity and administrative experience necessary to carry out his new position. While some have questioned Mr. Snyder's lack of experience and background in the coal industry, I strongly believe that this is a strength and not a weakness. Harry will bring a fresh perspective to OSM without any preconceived notions or bias. His background will certainly lend great insight into the administration of his duties.

Although we can never predict the future with any degree of accuracy, I think we can all safely predict that Harry Snyder will do his job to the best of his ability and will make every effort to establish a positive working relationship with Congress. I am confident that Harry is someone who cares about the protection of this country's great lands and resources, while continuing to take into consideration our nation's present and future energy needs, as well as the difficult problems faced by today's coal operators. Harry is an individual who will face this task with both competence and conscience.

Senator Ford and I are very interested in the future of the coal industry. Coal is a crucial component of our nation's energy security and must be regulated in such a manner that not only protects the environment, but allows the industry to compete at the same time. While often a difficult task, the environment and mining should not be mutually exclusive of each other. I believe Harry Snyder is the type of individual that can accomplish this task and bring balance and consistency to the Office of Surface Mining.

I wholeheartedly support the nomination of Harry Snyder and hope my committee colleagues will do so as well.

The **Chairman**. Thank you very much, Senator McConnell. Ladies and gentlemen, if you will come to the dais, to the table, the rules of the Committee, which apply to all nominees, require that they be sworn in connection with their testimony.

[Whereupon, the nominees were duly sworn.]

The **Chairman**. Please be seated. Before you begin your statement, I will ask three questions addressed to each nominee before this Committee. Will you be available to appear before this Committee and other congressional committees to represent departmental positions and respond to issues of concern to the Congress?

We will begin with Mr. Wakefield and go right down with all of these questions.

Mr. **Wakefield**. I will, Mr. Chairman.

Mr. **Davis**. I will, Mr. Chairman.

Mr. **Easton**. I will.

Ms. **Brown**. I will.

Mr. **Snyder**. I will.

The **Chairman**. Are you aware of any personal holdings, investments or interests which would constitute a conflict of interest or create the appearance of such a conflict should you be confirmed and assume the offices to which you have been nominated by the President?

Mr. **Wakefield**. Mr. Chairman, my investments, personal holdings and other interests have been reviewed both by myself and by the appropriate ethics counselors within the Federal Government. I have taken appropriate action to avoid any conflicts of interest and there are none either in terms of actual conflicts, or appearances thereof, to my knowledge.

The **Chairman**. Mr. Davis?

Mr. **Davis**. Mr. Chairman, I have no conflicts of interest.

The **Chairman**. Mr. Easton?

Mr. **Easton**. Mr. Chairman, I also have reviewed my investments, personal holdings and other interests and also had the Department of Energy's ethics counselor do the same. I have taken appropriate action to avoid any conflicts of interest and there are none—no conflicts of interest or appearances thereof—to my knowledge.

Ms. **Brown**. My investments, personal holdings and other interests have been reviewed by myself and the appropriate ethics officials within the Federal Government. I have taken also appropriate action to avoid any conflicts of interest. There are no conflicts of interest, to my knowledge.

Mr. **Snyder**. I have none, Mr. Chairman.

The **Chairman**. Are you involved, or do you have any assets held in blind trust?

Mr. **Wakefield**. No, Mr. Chairman.

Mr. **Davis**. No, Mr. Chairman.

Mr. **Easton**. No, Mr. Chairman.

Ms. **Brown**. I do not.

Mr. **Snyder**. I have none, Mr. Chairman.

Senator **Cochran**. Thank you very much. You may proceed. Mr. Wakefield?

STATEMENT OF STEPHEN A. WAKEFIELD, NOMINEE TO BE GENERAL COUNSEL, DEPARTMENT OF ENERGY

Mr. **Wakefield**. Mr. Chairman and members of the Committee, it is an honor for me to appear before you today as President Bush's nominee for the position of General Counsel of the Department of Energy.

My interest in joining the Bush Administration and serving as Admiral Watkins' Chief Legal Counsel came primarily because of my hope that I could assist in two of the major challenges facing the Nation today.

First, the necessity to establish a national energy strategy which will work and is generally accepted has eluded us for the last two decades. We are running out of time, as our oil imports continue to increase and as we fail to reach accommodation with legitimate environmental concerns.

The Administration must work with Congress on a bipartisan basis to develop such a policy. I hope that my experience in a variety of energy positions both in government and in the private sector can provide legal assistance in meeting this challenge.

Secondly, the DOE's nuclear weapons complex must make substantial progress toward complying with environmental health and safety requirements. The public demands this and has every right to expect that environmental laws will be applied to these plants. I believe that my 24 years of experience in the practice of law can assist in moving DOE in the direction of compliance, not avoidance, with these laws.

As a final note, Mr. Chairman, I am very impressed with the competence and the dedication of the more than 100 attorneys which would be my privilege to direct in the Office of General Counsel. I hope that my experience as a manager and as administrator can be helpful in directing the entire office toward meeting the legal challenges facing the Department of Energy.

In concluding, Mr. Chairman, if I am confirmed I pledge to you that I will work with this Committee, with the staff of this Committee and other interested members of Congress, in assisting your interests in those matters that are before you and in meeting the congressional mandates of the Department of Energy.

I thank you very much.

[The prepared statement of Mr. Wakefield follows:]

STATEMENT OF STEPHEN A. WAKEFIELD
NOMINEE FOR THE POSITION OF GENERAL COUNSEL
DEPARTMENT OF ENERGY

BEFORE THE
SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

It is an honor to appear before you today as President Bush's nominee for the position of General Counsel of the Department of Energy.

If confirmed, I look forward to serving as the chief legal counsel to Admiral Watkins and the other officials of the Department and working closely with the members and staff of this Committee, as well as the Congress as a whole.

In 1973 and 1974, I had the privilege of appearing before this Committee on many occasions in my positions as Assistant Secretary of the Interior for Energy and Minerals and Assistant Administrator of the Federal Energy Office, a predecessor agency to the DOE. Then, as now, we were struggling with the national security implications of rising oil imports. We continue today to seek the means of reversing that upward trend. Now, however, the national consensus is even clearer that the development and utilization of our vast domestic resources must be accomplished in an environmentally acceptable manner. We also better appreciate that conservation of energy must play a major role in our efforts to reduce imports of oil.

While the general public awareness of the dangers of our continuing and growing reliance upon oil produced beyond our borders is higher today than it was prior to the Arab oil embargo in 1973, we have yet to arrive at a national energy policy which is realistic, generally acceptable, and calculated to address our long-term interests. One of the primary objectives of the DOE, working with Congress on a bi-partisan basis, will be the development of such a policy.

I am hopeful that my background in prior governmental energy positions and my subsequent legal representation of energy producers, transporters and consumers can provide assistance in the myriad of legal issues which will arise from the pursuit of a national energy strategy, as well as in the constant flow of legal, regulatory, administrative, and legislative questions which demand the attention of attorneys at the DOE. My specific legal training includes litigating before judicial and administrative bodies, extensive negotiating in both hostile disputes and mutually beneficial business arrangements, and counseling and advising in sophisticated business transactions. I also have had considerable experience as a manager and as an administrator of large numbers of attorneys.

In addition to the 24 years as a practicing attorney that I would bring to the position of General Counsel, my experience as an executive and the principal counsel of a major diversified energy concern has enabled me to understand both how this complex industry operates and what motivates business and investors to act, or to refrain from acting, in certain ways. Hopefully, I can call attention to proposed measures designed to achieve an objective which may be non-productive, or even counter-productive, to reaching the desired result.

I believe my background and understanding of energy issues can assist in recognizing those actions DOE may be requested to take that are not only particularly beneficial to the proponent, but may be at cross-purposes with the general mandate given to the DOE by Congress and the President. In other words, I believe I can assess the validity of, and the purpose behind, positions which may be taken at the DOE and ask the appropriate questions to complete the record for the benefit of the decision-maker.

The major immediate problem confronting the DOE is compliance with environmental, health and safety requirements at its nuclear weapons complex. The Department cannot be expected to achieve public confidence and credibility in dealing with energy issues generally until it makes substantial progress toward placing its own house in order. Admiral Watkins has strongly stated that the DOE is committed to complying with the

Nation's environmental laws and to protecting public health and safety.

In this regard, you may be assured that I am in total agreement with this objective. I shall seek, if confirmed, to render legal advice as to whether the DOE is in compliance with the letter and spirit of the environmental laws and, if not, what must be done to achieve such compliance. I shall not seek to justify a position which is at odds with the clear purposes of these laws, nor do I believe that Admiral Watkins would wish me to do so.

In closing, I pledge that if confirmed, I will work with the members and staff of this Committee and Congress as a whole to respond to issues of Congressional concern and to carry out the statutory mandates which the DOE has been given.

Thank you for your consideration of my nomination.

The CHAIRMAN. Thank you very much.
Mr. Davis.

STATEMENT OF JON MICHAEL DAVIS, NOMINEE TO BE ASSISTANT SECRETARY FOR CONSERVATION AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY

Mr. DAVIS. Thank you. I would like to thank Senator Armstrong and Senator Wirth for their remarks to the committee. I would also like to thank Senators Hatfield, Domenici, Senator Wirth, Senator Conrad and Senator Burns for the time they made available to us prior to this hearing. Thank you very much.

I would like to take a moment and introduce my wife, Joan.

The CHAIRMAN. Welcome, Mrs. Davis.

Mr. DAVIS. It is a privilege to me. I have my personal partner here and also my business partner. Joan has a good background in marketing both conservation and renewable technologies. So that is, I think, a huge benefit to me.

I appreciate the opportunity to appear before you today as President Bush's and Secretary Watkins' nominee for the position of Assistant Secretary for Conservation and Renewable Energy.

I am proud to be nominated and to have an opportunity to serve under this administration, particularly, at this time of increased awareness on energy supply and environmental protection.

I share Secretary Watkins' commitment to developing and carrying out the President's national energy strategy and to fulfilling the mandates Congress has established, in law, for the department.

If confirmed, I will uphold the standards of government established by President Bush, and consider it a privilege to work with this committee and members of Congress to move towards an environmentally safe and nationally secure energy future.

With your approval, Mr. Chairman, I will summarize my written statement.

The CHAIRMAN. Yes, please. All written statements will be put in the record as if read in full.

Mr. DAVIS. Thank you. My formal education was at the United States Air Force Academy and the University of Illinois. My technical background includes active duty, engineering design, construction and educational activities in the United States and Vietnam.

I served on the faculty of the Air Force Academy, where I developed an entire solar curriculum, directed research, and helped build one of the first working solar laboratories.

I also served with the Air Force Civil Engineering Center as an engineer, consulting on energy conservation options world wide.

I am a registered professional engineer in Colorado. I have held management positions within the Department of Energy and also at the Solar Energy Research Institute.

And I have been an investor, owner and operator of businesses dealing with both conservation and renewable technologies.

Admiral Watkins has indicated that he wants the department to have high creditability with Congress and the American people. My ideas and approaches for improving the conservation and renewable energy programs, gained from both public and private experience, will complement the foundation being built by the Admiral for the Department.

The debate continues on the role of the Federal Government and what role it should play in energy research and development. I believe there are special characteristics that pertain to conservation and renewable energy technologies that bear on this debate.

Conservation and renewable programs encompass many different technologies and affect, industries in buildings, industrial process heat, utilities, transportation, international export, and even government programs at the state and local level. Also many of these technologies are at different levels of development as well.

The conservation and renewable energy technologies represent a vast constituency in this country, and we are unique in that we have the opportunity to serve on both sides of the meter.

I think that means that the Federal program needs to be somewhat more flexible in terms of how we support the different technologies.

I personally experienced major energy policy changes over a relatively short time. To the extent possible, such changes should be avoided. It is very difficult for markets, for companies, and for investors to adjust and to make informed decisions.

In the past, we have had examples of market incentives being offered ahead of technology and infrastructure readiness. Now we are moving closer to commercialization with certain technologies, and many of the market incentives are no longer available. This makes capital formation and human resource development unacceptably risky and difficult. We clearly need a more balanced and stable approach.

Conservation and renewable energy technologies have been both oversold and undersold. The questions remain—what are the best near-term, mid-term and long-term investments, and whose data do you believe?

I am not able to answer these questions today, but I will dedicate myself to an appropriate and open process that will address these questions and shape these programs to enhance our national return on investment.

In the past, Congress has viewed DOE's commitment to conservation and renewable energy with some suspicion, and there has been some justification for that. As a result, Congress has taken an active role in directing the course and content of DOE's programs.

Let us begin today a new effort to work cooperatively to achieve the goals we all share and provide DOE's new management with the flexibility we need to execute the programs to the best effect.

One aspect of preserving America for future generations must be appropriate, long-term investments in our energy future with stable, predictable funding paths and policy.

Mr. Chairman, if confirmed, I look forward to working with members of this committee and other members of Congress to develop and implement a credible, national energy policy that will support an appropriate contribution from both conservation and renewable technologies.

Thank you very much.

[The prepared statement of Mr. Davis follows:]

JON MICHAEL DAVIS

NOMINEE FOR THE POSITION OF
ASSISTANT SECRETARY FOR CONSERVATION AND RENEWABLE ENERGY
OF THE DEPARTMENT OF ENERGY

BEFORE THE
COMMITTEE ON ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE

JULY 18, 1989

Mr. Chairman and distinguished Members of the Committee, I appreciate the opportunity to appear before you today as President Bush's and Secretary Watkins' nominee for the position of Assistant Secretary for Conservation and Renewable Energy of the U.S. Department of Energy. I am proud to be nominated and to have the opportunity to serve under this administration, particularly at this time of increased awareness of energy supply and environmental protection.

I share Secretary Watkins' commitment to developing and carrying out the President's national energy strategy and to fulfilling the mandates Congress has established in law for the Department. If confirmed as Assistant Secretary, I will uphold the standards for government service established by President Bush and consider it a privilege to work with this Committee and the Congress to move towards an environmentally safe and nationally secure energy future. Today I would like to briefly relate my personal background to the challenges of public energy policy and the opportunities for conservation and renewable energy technologies

BACKGROUND AND EXPERIENCE

Having grown up in the Northeast part of Washington State, my earliest involvment with the energy business was work experience in the heavy construction business required for mining, logging, and hydroelectric power generation. In the process, I gained a solid respect for these resources and the effort necessary to utilize them productively. My formal education at both the United States Air Force Academy and at the University of Illinois provided a technical basis for my career. I am a registered professional engineer in Colorado.

My active-duty Air Force experience included engineering design and construction in the United States and Vietnam, followed by a four-year tour on the faculty of the Air Force Academy. At the Academy, I developed and taught a solar energy curriculum and directed solar research at the graduate level. As part of this tenure, I helped convert an existing house into a solar design laboratory. My energy conservation activities began in earnest at the Air Force Civil Engineering Center. I served with a group of engineers consulting on energy conservation opportunities in Air Force facilities worldwide.

As a result of these assignments, I was recruited to join ERDA, which soon became DOE. While at DOE, I managed the National Solar Heating and Cooling Program which directed $80 million in research and development project funding. DOE's policy at the time focused on specific technologies rather than end-use applications. An unfortunate result of this policy was that different programs very often competed with one another, rather than yielding the best technology for each end-use application. This approach made it very difficult to transfer the technology to those who would put it to use.

In 1980, I joined the Solar Energy Research Institute in Golden, Colorado to establish a solar buildings division. Our purpose at SERI was to categorize the various conservation and renewable energy technologies available to the buildings marketplace so that owners and operators of any type of building could view their energy options and make informed economic choices.

Having experienced the state-of-the-art technologies and observing the potential for marketing these advancements, I became an investor and principal in a solar firm established by a former co-worker and helped build a very successful solar water and space heating sales and installation company. Our installed sales averaged over $ 12 million per year for three years. These systems were of high quality and continue to operate successfully in Colorado, Oklahoma, Texas, Louisiana, Arkansas, and Kansas.

In 1986 I started my own design/build mechanical contracting company and through careful customer education have been successful in carving out a small market for energy efficient heating and cooling systems for residential and light commercial buildings. As a result of these experiences, I am strongly convinced that credible and timely information, properly presented, will move consumers to better energy consumption and utilization choices.

Admiral Watkins has indicated that he wants the Department to have high credibility with Congress and the American people. My ideas and approaches for improving the conservation and renewable energy programs gained from prior government service and direct technology experience in industry will complement the foundation being built by the Admiral for the Department of Energy.

AN ASSESSMENT OF CONSERVATION AND RENEWABLE ENERGY PROGRAMS

In recent years, there has been substantial debate concerning the federal role in support of conservation and renewable energy technologies between those who advocate a limited role for the federal government and those who believe the federal role should be broadened. It is not my purpose to defend or denigrate either of these positions; rather, I would like to present some thoughts on the central themes of this debate. In doing so, I believe I can show that as the Assistant Secretary for Conservation and Renewable Energy I can work with Congress, and the public and private sectors to enhance the DOE programs while remaining sensitive to concerns about the budget.

The technologies in the conservation and renewable energy area differ markedly from technologies in other areas of DOE. The most significant difference is in the breadth of these technologies. These technologies directly affect industries in buildings, industrial process heat, utilities, transportation, and even governmental programs at the state and local level. In support of these industries, research is being pursued on fuels, engines, materials, superconductors, "smart" windows, genetically designed microbes and on and on.

As an example, the DOE photovoltaic program has met every cost and efficiency goal to date and this technology could soon be ready to move into the mainstream of systems providing utility power generation. The private sector will make an investment in this technology if it believes the systems are credible and will provide reliable service to the customer base.

A technology at a different level of development is high-temperature superconductors. This activity is best described as long-term, high-risk research with potentially enormous payoff. Federal support is required to enable our industries to be not only the leaders in the science breakthroughs but also become the leaders in the market applications.

These are only two examples in a spectrum of federal conservation and renewable energy programs affecting literally dozens of technologies. The proper role for the federal government may be quite different for technologies being investigated at a basic science level versus a technology being introduced into a market.

The conservation and renewable energy technologies represent and affect a vast constituency in this country. As an agency of the government, DOE is unique in that it serves the public "on both sides of the meter".

As a nation we no longer feel the sense of urgency on energy issues we felt in the 1970's. Fossil fuel prices have fallen substantially and our emphasis on conservation during the previous decade has helped bring about a change from a condition of tight supply to one of over-supply in fossil fuels. This over-supply condition has hurt our domestic petroleum industry, since many countries have lower-priced product they can export to this country. We are once again importing approximately half our domestic consumption of petroleum products. Much of that imported petroleum product is from politically unstable portions of the globe. This market condition also is responsible for one-third of our trade deficit (over $40 billion last year).

Environmental dangers have again raised public concern about our energy future; however, we still have not properly addressed the issues of energy supply, security and energy's effect on U.S. competitiveness in international markets.

If we really are sincere about preserving a strong America for future generations, one step must be appropriate, long-term investments in our energy future, with stable, predictable funding paths.

DOE is currently compiling the best energy data available to support development of an integrated national energy strategy. We will then be able to analyze all viable energy paths while appropriately considering environmental and economic impacts. The best near, mid, and long-term investments among paths and within paths should become much more obvious and supportable.

Conservation and renewable energy technologies have been both oversold and undersold. The questions remain: What are the best investments to make, and whose data do you believe? I am not able to answer these questions today, but I will dedicate myself to an appropriate and open process that does.

In the past, Congress has viewed DOE's commitment to conservation and renewable energy with some suspicion, and there has been some justification for that. As a result Congress has taken an active role in directing the course and content of DOE's programs. Let us begin today a new effort to work cooperatively to achieve the goals we all share and provide DOE's new management the flexibility we need to execute the program for best effect.

Mr. Chairman, if confirmed, I look forward to working with members of this Committee to develop a credible national energy policy that will support an appropriate contribution from conservation and renewable energy technologies.

Thank you very much.

The CHAIRMAN. Thank you very much, Mr. Davis.
Mr. Easton.

STATEMENT OF JOHN J. EASTON, JR., NOMINEE TO BE ASSISTANT SECRETARY FOR INTERNATIONAL AFFAIRS AND ENERGY EMERGENCIES, DEPARTMENT OF ENERGY

Mr. EASTON. Thank you, Mr. Chairman. It is an honor to appear before your committee as the President's nominee to be the Assistant Secretary for International Affairs and Energy Emergencies. And I appreciate the President's confidence in me, as well as that which Secretary Watkins has expressed.

I have had the opportunity to previously serve in elective office and I know how important it is for the cooperation between the executive branch and the legislative branch of government.

And I commit to you that bringing that experience to this post, I will work very closely with this committee, as well as other members of Congress and the Congress itself, as we pursue our joint objectives on behalf of this country.

Let me touch a little on my background and then some of the issues confronting my office.

You heard Senator Leahy describe my political background. I am an attorney by profession, having received my law degree here in Washington at Georgetown in 1970. I practiced law in Vermont for a number of years and held posts, both appointed and elected, in Vermont. I served two terms as attorney general, and as the Senator mentioned, I was the Republican candidate for governor in 1984.

Following my service in state government, I worked for an international consulting firm, Syn-Cronamics, and then returned to private law practice in Burlington, from which I come to this post.

The Assistant Secretary of Energy for International Affairs and Energy Emergencies has two primary roles. First, he is the principal spokesman for the Secretary of Energy on matters of international importance. And, secondly, he is the principal international policy advisor to the Secretary.

In these two capacities, I expect to work very closely with both Secretary Watkins and Deputy Secretary Moore, as we pursue the national energy strategy, which my colleagues have already mentioned.

I think there will be some very essential elements of that strategy that will require significant efforts by my office in the coming year and I would like to share just a couple of thoughts about those elements.

First, we must improve energy security, and that demands a continued effort to reduce our vulnerability to supply disruptions. One means of reducing vulnerability is by enhancing our capability to respond to major energy and national security emergencies.

Another means is to reduce our vulnerability to supply disruptions by working more closely with our allies and organizations such as the International Energy Agency.

Another issue which will confront my office will be that of global climate change. Events in that area have placed that topic on the center stage of international concern and I expect to be playing a very important role in representing the Department of Energy in such international fora as the Intergovernmental Panel on Climate Change.

Finally, even though I come from a northeastern state, I fully appreciate the importance of our extractive industry in this country. By that I mean, not only oil and gas, but also coal and uranium. And I will devote my efforts to significantly improving and expanding the markets for these products overseas, as well as to try to improve the markets here at home which, in turn, improves our domestic industry.

I would hope to be a strong leader in this position and to take the initiative, wherever possible, in advocating that course of action determined to be in our best interest in this country.

I look forward to the challenges and opportunities which lie ahead, and promise this committee my full commitment to effective energy preparedness and to also maintaining our key role in shaping international events.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Easton follows:]

Statement of John J. Easton

Nominee for the Position of

Assistant Secretary for International Affairs
and Energy Emergencies
Department of Energy

Before the

Committee ON ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE

July 18, 1989 - 9:30 a.m.

It is a honor to appear before you as the President's nominee for th position of Assistant Secretary For International Affairs and Energy Emergencies, U.S. Department of Energy. I would like to extend my sincere appreciation to the President and Secretary Watkins for their confidence in me.

Having previously served in elective office in my home state of Vermont, I fully appreciate the importance of maintaining a strong relationship with those in the legislative branch of government. I reiterate the pledge of Secretary Watkins and Deputy Secretary Moore. If confirmed, I will work closely with this Committee and Congress and I will elicit and carefully consider your views as I represent the Department of Energy at home and abroad.

I am an attorney by profession, having received my law degree from Georgetown University in 1970. My undergraduate degree was from the University of Colorado, where I received a B.S. in accounting in 1964. I am also a former member of the U.S. Air Force, resigning with the rank of Captain in 1968. Most recently I was in private law practice in Burlington, Vermont with the firm of Miller, Eggleston and Rosenberg. I have also served as Vice-President of an international consulting firm, Syn-Cronamics, Inc. and from 1981-1985 was Attorney General of Vermont. In 1984, I was the Republican candidate for Governor of Vermont.

I come before you today having served two months as the Principal Deputy Assistant Secretary for International Affairs and Energy Emergencies. In this capacity, I have been able to gain an appreciation of the past accomplishments of the Office of International Affairs and Energy Emergencies and of the issues and challenges which will face the new Assistant Secretary. I have already travelled on behalf of the Department, having served on the U.S. delegations to the Ministerial and Governing Board Meetings of the International Energy Agency (IEA) in Paris and to a meeting of the Intergovernmental Panel on Climate Change in Nairobi, Kenya. I have also had the opportunity to meet with officials of the International Atomic Energy Agency (IAEA) in Vienna and the Nuclear Energy Agency in Paris.

Having served the State of Vermont as its Attorney General, and given the close proximity of Vermont to Canada, I had occasion many times to deal with Canadian business leaders and government officials, both personally and professionally. In the time I have served as Principal Deputy, I have been able to apply those previous international experiences to the more global issues with which the Department of Energy regularly deals. If confirmed as Assistant Secretary, I am certain that these experiences will continue to prove invaluable as I become involved even more directly in these issues.

As you are all well aware, the Assistant Secretary for International Affairs and Energy Emergencies serves both as the principal spokesman for the Secretary of Energy on matters of international importance and as the principal international policy advisor to the Secretary. In these capacities I expect to work very closely with Secretary Watkins and Deputy Secretary Moore in building the integrated and comprehensive national energy strategy this country so clearly needs. The essence of that policy will be to insure and enhance the energy security of this country. I fully appreciate the importance of energy to our national security.

Improving energy security demands a continued effort to reduce our vulnerability to supply disruptions. One means of reducing vulnerability is by enhancing our capability to respond to major energy and national security emergencies. In this regard, the Office of International Affairs and Energy Emergencies has a number of programs. In fact, I recently testified on these programs before the Subcommittee on Economic Stabilization of the House Committee on Banking, Finance and Urban Affairs, chaired by Representative Oakar. These programs include:

- a cooperative energy vulnerability assessment program to work with the energy industries (electric, oil, gas and coal) to study the domestic industry's facilities, security, and restoration capacity;
- an active program with the states to improve energy emergency planning; and
- an ongoing program of Strategic Petroleum Reserve tests and exercises, which, for the record, has consistently demonstrated

a high state of readiness to respond to petroleum emergencies.

Reducing our vulnerability to supply disruptions also requires cooperation with our allies in organizations such as the IEA. In my dealings with the IEA to date, I have gained an appreciation of the important role the IEA has played in the past and can continue to play in the future in strengthening the collective energy security of its member countries and in reconciling energy, economic, and environmental objectives.

Specifically, within the IEA and elsewhere, we must continue to encourage:

- increased energy diversification and efficiency through long-term R&D and near and mid-term investments;
- a reduction in the barriers to the free trade of coal;
- conservation, both in the generating or supply side and in the consumption or demand side;
- the use of renewable energy resources such as solar, wind and biofuels;
- market oriented energy solutions and the removal of barriers to free trade and investment in energy; and
- maintenance of adequate government oil stocks, and the coordination of drawdowns of stocks among allies in the event of a supply disruption.
- use of nuclear power, which does not contribute to the emission of greenhouse gases and contribute to global climate change.

This year also, events have placed environmental concerns onto the center of the world stage, both on a global and national level. If confirmed as Assistant Secretary, I expect to play an important role in representing the Department internationally -- in particular as concerns the issue of potential global climate change. It is my expectation that, if confirmed, I will continue to represent the Department on this issue before the Intergovernmental Panel on Climate Change (IPCC). The IPCC, established in November, 1988 under the joint auspices of the World Meteorological Organization and the United Nations Environment Program, is being viewed by the United States as the principal international forum for consideration of the climate change issue. I anticipate that these efforts of the IPCC will lead to formal negotiations on the possible establishment of a framework convention on global climate change.

I would also like to assure this Committee that, although I come from a largely rural Northeastern state, I fully appreciate the importance of a viable domestic energy extractive industry -- by that I mean coal, oil, gas and uranium -- to the energy security of this country. As I represent the Department in negotiations, bilaterally, with countries such as Canada, and multilaterally, in forums such as the IEA, I will not lose sight of this fact. I will also strongly support current efforts to expand markets for these products overseas as well as Deputy Secretary Moore's initiative to expand the market for U.S. energy related services and technology.

In summation, I intend to be a strong leader in the Office of International Affairs and Energy Emergencies and to take the initiative wherever possible in advocating that course of action determined to be in the best interest of the United States. I look forward to the challenges and opportunities which lie ahead and promise my full commitment to effective emergency preparedness and to maintaining our participation in the international community and our key role in shaping international events.

I believe my experience, both in the private sector and in state government in Vermont, has given me the managerial and administrative experience to discharge the duties of Assistant Secretary for International Affairs and Energy Emergencies. Mr. Chairman, this concludes my formal remarks. I will be pleased to answer any questions you or the other members of the Committee may have.

Mr. CHAIRMAN. Thank you, Mr. Easton.

Ms. Brown.

STATEMENT OF JACQUELINE KNOX BROWN, NOMINEE TO BE ASSISTANT SECRETARY FOR CONGRESSIONAL, INTERGOVERNMENTAL AND PUBLIC AFFAIRS, DEPARTMENT OF ENERGY

Ms. BROWN. Thank you.

Mr. Chairman and members of the committee, I thank God for this opportunity to appear before you today as President Bush's nominee for the position of Assistant Secretary for Congressional, Intergovernmental and Public Affairs.

I am also pleased to have members of my family here today—my mother and my daughter, and many other friends and supporters. My husband——

The CHAIRMAN. Now, which one is which? [Laughter.]

Ms. BROWN. Well, my mother is here on the end. Susie Gaskins. And I have a sister and a daughter, another sister and brothers, and many, many friends and supporters.

My husband, Hank Brown, is traveling with the President today, so he is not here with me; but he has sent his blessings and his support as well.

I would like to summarize my remarks at this time.

It is, indeed, an honor and a privilege to be considered for such an important position in the Department of Energy. If confirmed, I am prepared for the tremendous challenges and responsibilities that will confront me.

As Secretary Watkins moves forward with his initiatives to address many of the problems the Department is experiencing today, I realize the importance of keeping this committee, as well as the Congress as a whole, informed of our actions and our activities. And I am keenly aware of the benefit of maintaining a good working relationship with each of you and your staffs.

I can assure you that I intend to carry out my duties with the same spirit of cooperation and open communication as Secretary Watkins is committed to.

I have spent, virtually, my entire career in the halls of Congress. From my early experiences as an office manager and a research assistant in the House of Representatives, to serving as a legislative assistant and subcommittee staff director here in the United States Senate.

I have acquired a great deal of appreciation and respect for the cooperative effort that must prevail between the Congress and the executive agencies in order for the Federal Government to continue to promote public confidence in our decisionmaking and to uphold our credibility throughout the legislative and regulatory process.

For the past several years, I have been involved with consensus building and formulation of working strategies on major public policy issues as a policy analyst for two very important Federal commissions. I believe that my experiences will prove to be a valuable asset to the Department and to Secretary Watkins' organization.

I am confident that, if confirmed, I will inspire those individuals who will be a part of my staff in the Office of Congressional, Intergovernmental and Public Affairs, to value and appreciate the magnitude of our responsibilities, and to commit themselves, as I have, to high standards and personal excellence.

I am sure we will achieve the levels of responsiveness, cooperation and communication that is expected of us, from each of you, members of Congress and others who must interact with the Department of Energy.

I look forward to working with this committee and with your staffs, and the Congress. And I am very proud to be considered for a position serving this administration.

That concludes my remarks, and I would be happy to answer any questions.

[The prepared statement of Ms. Brown follows:]

STATEMENT OF JACQUELINE KNOX BROWN
NOMINEE FOR THE POSITION OF ASSISTANT SECRETARY FOR CONGRESSIONAL, INTERGOVERNMENTAL AND PUBIC AFFAIRS

Mr. Chairman and Members of the Committee

It is an honor and a privilege to have this opportunity to appear before you today as President Bush's nominee for the position of Assistant Secretary for Congressional, Intergovernmental and Public Affairs. If confirmed, I am prepared for the tremendous challenges and responsibilities that will confront me. As Secretary Watkins moves forward with his initiatives to address many of the problems the Department of Energy is experiencing today, I realize the importance of keeping the Members of this Committee, and the Congress as a whole, informed of our actions and activities, and the benefit of maintaining a good working relationship with each of you and your staffs. I can assure you that I intend to carry out my duties with a spirit of cooperation and open communication.

I also intend to work aggressively to improve the Department's interaction with state and local governments and the general public.

I have spent virtually my entire career in the halls of Congress, from my early experiences as an office manager and research assistant in the House of Representatives to serving as a legislative assistant and subcommittee staff director in the U.S. Senate. I have acquired a great deal of appreciation and respect for the cooperative effort that must prevail between the Congress and the executive agencies in order for the Federal government to promote public confidence in our decisionmaking and to uphold our credibility throughout the legislative and regulatory process.

I know what it means to request information from an agency and receive it in a timely fashion. I have been through the consultations with Administration policymakers seeking input and support for legislative proposals and I have experienced the satisfaction of a legislative victory in which both the Congress and the Administration were participants. I know, firsthand, the importance of the role I will assume.

For the past several years, I have served as a senior policy analyst for two important Federal commissions -- the AIDS Commission and the Quadrennial Commission. In this short time, my consensus-building skills were strengthened and I learned to work well with disparate groups to formulate working strategies on difficult issues and to develop solid and rational public policy. I believe that these experiences will prove to be a valuable asset to Secretary Watkins' organization.

The mission and functions of the Office of Congressional, Intergovernmental and Public Affairs are broad in scope. The Office is responsible for developing, managing and coordinating relations with the Congress; working with state and local officials, Indian tribes, other Federal agencies; facilitating outreach activities with consumer, labor and citizen organizations, business and industry, civic groups, education organizations and institutions and many other energy-oriented public policy groups.

The office, in effect, plays a major role in providing guidance, analysis and planning for the energy policies and programs of the Department of Energy and it serves as the principal point of contact and coordination between the Department and the Congress. We have a major task of demonstrating that the Department is committed to discharging its responsibilities and we must coordinate our activities with elected and appointed officials, as well as external organizations in an effort to ensure maximum participation in the process of formulating national energy policy.

I am confident that, if confirmed, I will inspire those individuals who will be a part of my staff in the Office of Congressional, Intergovernmental and Public Affairs, to value and appreciate the magnitude of our responsibilities and to commit themselves to high standards and personal excellence. That will allow us to achieve the levels of responsiveness, cooperation and communication expected from Secretary Watkins, Members of Congress and others who interact with the Department of Energy.

In conclusion, I look forward to working with this Committee, your staff, and the Congress and I am proud to be considered for a position serving this Administration.

The **Chairman**. Thank you, Ms. Brown.

Mr. Snyder.

STATEMENT OF HARRY M. SNYDER, NOMINEE TO BE DIRECTOR, OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR

Mr. **Snyder**. Thank you, Mr. Chairman.

My remarks have been submitted for the record, but if I may, with permission, just make a few points.

As an introductory remark here, I would first like to thank the two senators from Kentucky. They are well respected at home, and they are good friends of mine and you would expect them to say nice things about me.

It would be my desire and my earnest hope, however, Mr. Chairman, that——

The **Chairman**. You do not know Ford as well as I thought you did. [Laughter.]

Mr. **Snyder**. I have known him a long time, Mr. Chairman. He likes me anyway.

I would hope that members of this committee and other colleagues interested in my field would have the same kind of respect and cooperative attitude in a few more months.

Gentlemen, as you are well aware, the Office of Surface Mining has been wrought with controversy and negative criticism, virtually since its creation by the Surface Mining Act of 1977. And it is not going to be easy to alleviate all of this controversy. But it is my goal to enforce this act in such a way as to turn this tide of criticism and to ensure not only that this agency does the best possible job, but also that some of its positive accomplishments are recognized.

Let me put it another way, Mr. Chairman—it is never going to be a popular Federal agency. That is not in the cards. But it can be respected; it can have credibility, and it can be managed. And I pledge to you to give my best effort to that end.

There are a couple of major issues that face this agency as I, upon confirmation, hopefully move into this office. Those issues, no strangers to you, include the applicant violator system, the question of the determination of valid existing rights, OSM's proposed oversight policy dealing with States that have primacy. I cannot say today whether dramatic or slight changes need to be made in the direction that OSM is taking. But I want to look at these areas very closely and as quickly as I am on board.

I can promise you, once I have had a chance to review these and other issues, I will deal swiftly and decisively and involve the Congress at every step of the way.

I invite your advice. I need your input, and I want to consult with you at every opportunity. You are probably going to get tired of seeing me.

Resolution of these issues is going to require a lot of diligence on my part, a lot of long hours and hard work. I think OSM's staff is full of capable people. I think those people need to be nurtured and consulted and listened to. It is my intention to have an open-door policy, both for the employees of that agency, as well as for people from the States that deal with this enforcement activity and members of the Congress and your staff.

As an aside, Mr. Chairman, to my own remarks, would you permit me to pass on a message to you from Secretary Lujan. Over the weekend, Secretary Lujan indicated to me on the subject of valid existing rights, that perhaps the controversial air surrounding this proposed rule—in spite of his repeated position and the President's position that there will be no mining in the parks—perhaps the controversy requires further thinking on this matter.

The Secretary asked me to pass on to the committee and to others today that it is his intention to withdraw this rule so that we can approach this anew and afresh, with the new management team in place at the Department of the Interior.

I do not want to mislead you today, and I do not want to make any promises that I cannot keep. But I am going to do my best to change this agency and turn it in the direction that the Congress and the Bush Administration feel it should go. And if hard work and long hours, dedication and honesty will get the job done, then I think you will be pleased with the results.

Thank you very much.

[The prepared statement of Mr. Snyder follows:]

HARRY M. SNYDER
STATEMENT BEFORE THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

July 18, 1989

Mr. Chairman, members of the Committee, my name is Harry M. Snyder, I am honored to appear before you today as President Bush's nominee for the position of Director of the Office of Surface Mining Reclamation and Enforcement.

Let me begin by letting you know where I come from and where my education and career have led me. I was born in 1941 in Corbin, Kentucky and grew up in London, Kentucky. I received a Bachelor of Science degree in Economics and Business Administration from Georgetown College and a law degree from the University of Kentucky College of Law in 1966. Subsequently I served the Kentucky Council on Higher Education as Director of Finance and Legal Counsel and for ten years was its Executive Director. I served on the finance staff of the University of Kentucky and earlier with Georgetown College, where I taught commercial and constitutional law, and served as legal Counsel. I resigned recently from the position of Resident Vice President for State Relations for CSX Corporation in Kentucky.

Gentlemen, the Office of Surface Mining Reclamation and Enforcement (OSMRE) has been wrought with negative controversy since it was formed under the authority of the Surface Mining Control and Reclamation Act of 1977 (SMCRA). I understand that it will not be easy to alleviate that controversy. But it is my goal to enforce the Act in such a way as to turn the tide of negative criticism and to ensure not only that the agency does the best possible job, but also that its positive accomplishments are recognized.

I have been told that few people outside the beltway know that there is an OSMRE or care what it does. Gentlemen, I come from a State which is very much affected by what OSMRE does and watches very closely every action taken by the agency.

I intend to work closely with those States most interested in OSMRE and with those of you who represent those States. Coal is vital to the national energy security of our country as well as that of our allies. I believe the mining of coal can be done in an environmentally sound manner. It is my intent to enforce the Act in such a way that serves both the industry and the environment although, I recognize that can be a difficult balance to achieve.

Several major issues face the agency as I move into office, including those involving the Applicant Violator System, valid existing rights and OSMRE's oversight policy. I cannot say at this time whether changes need to be made in the present direction the agency is taking, but I want to look at these areas very closely and I can promise you that once I've had a chance to review them I will deal swiftly and decisively with them and keep this Committee informed of any decisions I make.

Resolution of these and other issues will require diligence and dedication on the part of myself and all of OSMRE's employees. It is my intent to promote an open door policy at OSMRE and to develop a close working relationship with the employees, many of whom have a great deal of expertise in the law, in mining and reclamation technology, and in OSMRE's programs. I intend to extend this open door policy to those of you who will work closely with me on these difficult issues including the States, representatives of the industry, public and environmental organizations who wish to give input. If we all work together, we should be able to make significant strides in implementing the purposes of the Act in an effective and balanced manner.

Gentlemen, I do not begin to believe that I can change the Agency or the negative perception of the Agency overnight but I can promise administrative consistency and expect and will promote accountability from myself and the employees of OSMRE.

The CHAIRMAN. Thank you very much, Mr. Snyder.

First of all, Mr. Wakefield, let me say you are well and favorably known to this committee. I want to welcome you back to government. You are not here to get your ticket punched. You already had a first-class ticket, and I, for one, and, I know, the committee, very much approve of the decision of a man who has achieved it in the practice of law to come back to government.

That is a very, very important position that you will be holding, and we are delighted that you will bring to it the considerable expertise and experience which you had in the practice of law back to that position.

And so, I congratulate you on coming back, and the Bush Administration for appointing you.

I will send you some questions in writing on the central figure theory question. Are you familiar with that?

Mr. WAKEFIELD. To some extent, Mr. Chairman.

The CHAIRMAN. Well, I will not take our time here to talk about it except to say that, in my judgment, it is one of the most wrongly decided legal issues that I have ever seen and clearly unjust.

For example, there is one case of a $300 a month secretary getting sued for $21 million because she processed some papers in some oil company. Just bizarre. And so I will send you some questions on that, and I hope you will look at it. Because if it is wrong, as I think it clearly is, that the Department should not be party to invoking something that is not only wrong, legally, but unjust in its applications.

Mr. WAKEFIELD. I will be pleased to look into it and respond to your questions, Mr. Chairman.

The CHAIRMAN. I thank you very much.

One of the areas that is most productive of litigation, and one of the more important areas that you will have to deal with is the Nuclear Waste Policy Act of 1982, with its 1987 amendments.

You may be familiar that the Nevada state legislature recently passed a law, Assembly Bill 222, which would make it unlawful for any person or governmental entity to store high-level radioactive waste in Nevada.

Now I think that is rather clearly unconstitutional. I think we have preempted that field.

I hope you will aggressively move to so declare it. We have tried mightily to propitiate the people of Nevada. I, personally, very strongly support it—$20 million a year for them. I am not a favorite character in Nevada, but that is all right. We wanted to do what was right and be—more than that, we wanted to be generous.

But, at the same time, it seems to me we cannot allow Nevada or any other state to frustrate Federal laws. We want to work cooperatively. We want to be open and communicate well and all of that. But when their legislature does things like that, we simply must invoke the law and do so swiftly and strongly.

I hope you will be willing to move aggressively and strongly on that matter.

Mr. WAKEFIELD. I agree with you, Mr. Chairman, that there certainly are supremacy clause of the Constitution issues raised here. It is something that I expect to be looking into and will look at the options for most quickly resolving what is an obvious conflict between State and Federal law.

The CHAIRMAN. Thank you very much.

Thank you very much, Mr. Davis. I think you said it very well in your statement in speaking of solar energy that it has been both oversold and undersold. I think particularly during the Carter years it was vastly oversold.

We were told that we would be 20 percent solar by the year 2000, which was absolute nonsense. We were asked to fund some solar technologies which had no chance of ever producing energy at anything like a reasonable cost. The idea was if it is solar, it is good, and so, therefore, do it, and damn the cost, full speed ahead.

Now, under the Reagan administration it seemed it was just the opposite. If it was solar, it was no good. It did not deserve any funding, and consequently, we are in the position of neglecting what can be a very productive and realistic area of energy.

It is not going to solve all the problems, it is not going to give us 20 percent by the year 2000, but it is very important, and it is very neglected in my judgment.

And what we need is exactly what you said, that is, someone to realistically examine all of these technologies and those that need funding, and I think there are some who need not only funding, but need other kinds of help, other kinds of encouragement that you will separate the wheat from the chaff, give us a credible set of advices up here so that we can say that if Davis says it is so, it must be so.

We want that kind of relationship with you, and we want—at least speaking for myself and I know some others on the committee—we want to increase and accelerate solar energy, but in a realistic and credible way. So, I urge you to be both enthusiastic in your job, not to be a cheerleader for technologies that are not good simply because they are solar. That is not your job.

Your job is to promote those which are realistic, and I think your statement very well commented on that and put it in proper perspective, so I know you will do that.

Mr. Easton, you come highly recommended. My friend, Jacob Landry, is very strong on you, so I know you must be good.

Mr. EASTON. You cannot believe everything he says, Senator.

The CHAIRMAN. Well, I know that, but we are glad to have you.

Mr. EASTON. Thank you.

The CHAIRMAN. Ms. Brown, you know, there is a saying that the customer is always right with respect to merchandising. Now, with respect to your job, the attitude of the Senate is that the Senators are always right. They can be bombarding you with all kinds of requests to make these other guys who have made statements or made—for some of them private, for some of them public here today—make them do what they said they were going to do or do what the Senator wants them to do. Just remember, the Senator is always right. It is going to be your job to produce.

We are going to call Ms. Brown and say, Ms. Brown, Mr. Wakefield said he was going to do all these things, and he has not. Make him do them. And I think you are the one to make him do them.

You have been around here a long time.

Senator FORD. You better not withdraw.

The **Chairman**. You have had a lot of good experience on the Hill. You have got a proper appreciation for it, its folkways and its limitations and strengths, and you came very highly recommended, so welcome to the committee.

Ms. **Brown**. Thank you.

The **Chairman**. Mr. Snyder, your position is a very important one, a very difficult one, and I think you are the man to do it. You are strongly recommended by our two esteemed members of this committee, both of whom are very interested in everything you do, and I know you will do a good job, and I know they are going to have a lot of questions, so I just want to conclude by saying welcome. We are glad to have you on board. Someone with your background and demonstrated ability is very encouraging for us on the committee. We are glad to have you.

Mr. **Snyder**. Thank you, Mr. Chairman.

The **Chairman**. Senator McClure.

Senator **McClure**. Thank you very much, Mr. Chairman. My interest is to get you all on board as quickly as possible, and I will be very, very brief. I welcome the appearance of each of you. Several of you I have known for a long period of time. Others I will get to know better over the next period of time.

Admiral Watkins has a daunting job down there, and he has needed a full team on board, and I welcome the fact that you are here now and ready to go to work, and we are going to get you there as fast as we possibly can.

Mr. Wakefield, I have only one question, and this is a perennial. It has been around for many, many years, and that is the oil overcharge question. There are still some of those cases from the mid-1970s that have not been resolved. I do not know whether you have had an opportunity to look at those. Do you have any comment with respect to the likelihood of being able to get those settled and disposed of?

Mr. **Wakefield**. Well, that is not an area of my direct responsibility, but I am interested in getting them resolved and out of the way, Senator McClure.

The program is winding down, and I think we are now getting to the point where the majority of the cases are cases not so much in trying to assess fault or whether there have been overcharges, but in trying to find some money from people who may have done the overcharges that are now in bankruptcy or have fled the jurisdiction.

A lot of those probably are going to end up in the Justice Department, so I am hopeful that we are seeing the light at the end of the tunnel and can close this program down in the foreseeable future.

Senator **McClure**. I suspect the only reason I mentioned it today is every time you try to expedite something, there is somebody and occasionally a member of this committee who will come forward and say, oh, you are just whitewashing the thing. You are trying to let somebody off the hook by getting rid of a case that obviously ought to be gotten rid of.

And I want you to know and I want the public generally to know that there are some of us who believe that it is time to resolve issues that have been around a long, long time, but if there is anything you can do to help in that respect, I would certainly be appreciative of it.

Mr. WAKEFIELD. I agree with you that it is time to move towards shutting the program down, and I will do what I can. We do not intend to let anybody off the hook that is obviously guilty, but I think we can move these things a little more quickly.

Senator McCLURE. I agree with that statement. Certainly no one wants you to let anyone off the hook who is obviously guilty. And then in civil liability, there is no point in pursuing somebody who has no assets. We occasionally run into that if, indeed, it is an honest fact that they have no assets and they have not just hidden them.

Mr. Davis, we have had some contacts in the past with respect to solar and the activities of SERI and so on, and I appreciate your enthusiasm and we will have the opportunity to pursue with you some specific issues and opportunities in the future. I look forward to doing that.

I think the opportunities for alternative energy sources were greatly damaged as the price of oil fell, and the economics changed in the energy industry. In spite of that, there are things that we can do and should be doing as a nation, not only to apply those that have economic feasibility at the present time, but and also to prepare for the changing economics that surely will come and as oil prices again will change.

I am very, very disturbed that we as a nation find ourselves so totally dependent upon imported oil as the balance wheel of our industrial wealth, and we simply must find ways to reduce our vulnerability, and in your area of responsibility are some of those solutions to a problem.

It is very difficult to say welcome aboard. Now, why did you not get your work done yesterday.

But I am a little disturbed with one aspect. Some weeks ago I requested comments on Senator Fowler's bill, S. 488. It was only yesterday that comments were received, and the markup is tomorrow. That does not give us an opportunity, really, to evaluate the testimony of the department. I hope that track record can be improved in the future.

Do you have any comments?

Mr. DAVIS. Sir, I certainly will try to improve the responsiveness. I know that the department has necessarily focused on a number of nuclear weapons plant issues, but as I come on board, I think the staff available to me within the conservation and renewable programs can be efficient and can be credible in their response back to this committee and timely.

Senator McCLURE. Well, I know that the department has a number of very pressing responsibilities. One of the reasons I welcome all of you folks on board is that we can spread that burden around a little bit.

I think Admiral Watkins and Deputy Secretary Henson Moore have been bearing a disproportionate load over the last several months, but it is time to share that load. That is why I am glad to have so many of you here before us today to move in and be able to do that sort of thing because it cannot all be on one man's desk or even on two people's desks down at the department and get the job done.

That is the reason you have an organization. But I am really concerned that we have not been able to get faster response, and I understand the difficulties he has had. I share fully in the frustrations that have been stated by several.

We will get into some other questions with respect to specific policy later.

Mr. Easton, you have had the opportunity to already function in this job in some respects, attending conferences and representing the United States and the Department of Energy in those conferences. I am very much concerned that this nation has again become fat, dumb and happy about energy in particular, and perhaps that could be applied to other places as well.

Growing dependence upon imported oil primarily the balance of which comes from a politically unstable area of the world is a matter of great concern to us. I know some of us were here when things happened before, and I do not say that just because for any other reason than to say that if you sat in a government office, whether it is down in the administrative agency or up here, at a time where there were gasoline lines and shortages and the phone is ringing off the hook on the wall and everybody wants you to do something, you recognize what happens when there is a shortage.

We do not make rational policies as a matter of national priority in that kind of an emergency. The time to make rational policy is when you do not have that kind of emergency, and yet it seems that when we do not have the emergency, we tend to put it on the back burner and do nothing.

We have an IAEA agreement negotiated a number of years ago, and I noticed you have attended IAEA meetings, and that calls for some sharing if an emergency is very deep and very great indeed, we would have to share and yet, there are people here on this committee who will say hey, that is a crazy thing. They said that a few years ago. They have not said it in the last year or two. Crazy for us to talk about even sharing energy supplies in the event of an emergency. We are going to sit on our own, as though somehow that would make us secure.

Do you have an opinion about the shape of the IAEA and the sharing provisions under that agreement?

Mr. EASTON. I do, Senator. I have attended meetings—and I think you are referring to the IEA—this alphabet soup is a little confusing because we are members of both the IEA, the International Energy Agency as well as the International Atomic Energy Agency, the IAEA.

Senator MCCLURE. I meant IEA.

Mr. EASTON. The issue you raised was one of the two concerns that the ministers raised at the ministerial meeting in May: the growing dependence of the OECD countries, the IEA members, on imported oil, is one of the two issues that the ministers have directed those of us who serve on the Governing Board of that organization to address over the years ahead.

Certainly that is a vital concern to my office. Not only the International Affairs side of my office, but the Office of Energy Emergencies is constantly reviewing our programs to assure both domestically and internationally that we are taking the right steps to plan now while there is not an emergency so that we are not making poor policy type of judgments when an emergency occurs.

One of the things we are doing is looking at diversified supplies to try to avoid this overreliance on oil from politically unstable parts of the world. We will continue those efforts. I hope that we can report back to you that our efforts are continuing to be successful in diversifying our supply and by working with my colleague, Mike Davis, to increase our ability as a country to depend more on conservation, efficiency, and renewable energy. Those sort of efforts are the things we need to do now to alleviate our growing dependence on imported oil.

Senator McClure. Well, as you know, we have not only joined in signing the IEA, but we have been a very active participant in the activities of that function between governments, and that obligates each government to have at least 90 days of strategic stocks, and we pressed other governments to meet that.

As our consumption rises and our domestic production falls, we are dangerously close to the point where we will not comply with that provision either.

Mr. Easton. That is correct for some countries, Senator, and I am pleased to report to you that of the IEA member countries, only four at present do not meet their IEA 90-day requirements. We are continuing to push those countries to meet their stockpile obligation. But as you correctly acknowledge, at the same time that we import more, our levels of security go down, and it is all the more reason, again, to stimulate domestic alternatives and to look toward renewable energy and conservation and efficiency as well.

Senator McClure. As you are aware, current law requires us to fill the Strategic Petroleum Reserve at the rate of 75,000 barrels per day until we attain the objective of 750 million barrels of oil in storage. Do you support that policy?

Mr. Easton. I do, Senator, consistent with our ability to pay for it. On the one hand, we need to as rapidly as possible fill our Strategic Petroleum Reserve, and yet we have the other horn of that dilemma—how do we pay for it? Our department will be looking, as part of the EPCA extension, at alternative financing mechanisms so that we meet those goals as rapidly as possible.

Senator McClure. There are two aspects of that policy that I do want you to get into, and you have mentioned one of the two.

I think it is very, very important that we look at the alternative financing opportunities that might be possible for utility to us as we move through this period as we must increase the reserves, but at the same time, as you point out, have budgetary problems.

I note that the administration had a proposal up on the Elk Hills naval petroleum reserve, yet I have heard nothing from the administration since that was set up. Is that still administration policy or has the administration changed its position on the sale of Elk Hills?

Mr. Easton. I have not been directly involved in that, Senator, so I will have to look into it, but I believe it still is the policy.

Senator McClure. I thought so. And yet, as I say, I have heard nothing for weeks if not months. Even the proposal was made. I think, frankly, it is an innovative proposal and while I have not been very enthusiastic about the sale of Elk Hills, I would like to invite people to take a look at the administration's proposal, maybe even the administration itself to see whether you really still do want it. If you do, you are going to have to push for it. If it is a good proposal, we ought to entertain it because it does do something for strategic reserve, and it does a great deal for the budgetary problem that we have that confronts us. And I would hope that you would look at that, if indeed the administration wants us to do anything about it, become active in proposing it.

I also want you to seriously, very seriously, look at an alternative financing means. This committee has upon a number of occasions in the past looked at that ourselves. We have not come up with any answers, and we have asked the administration to help us look at those means of financing to see whether there is something that the administration and we jointly can support.

So far I think we have only gotten cursory looks. I think it comes up whenever we have a hearing and somebody looks at it. They discuss it a little bit, and then it goes away until we have another hearing. I think the matter is of greater urgency and importance than that, and I hope you will take a look at it.

Mr. EASTON. I think that Congress' message in the EPCA extension is quite clear in that, we will.

Senator MCCLURE. Ms. Brown, I have no questions of you because I am not going to indulge in the usual beating up of someone who has to work for both the Administration and us. In that conjunction, I look forward to working with you and trying to make the relationship work as well as it is possible to do.

Only one word—and I know it is redundant. That is, your job as I view it is not just to tell us what the Administration wants. Oftentimes that is the easiest thing to do. There are clear lines of authority and the only person that can fire you is the Administration, so if you satisfy them, fine.

But in order to do your job you also have to be a conduit of information back to the Administration about what is happening here, and I think that is very, very important for the proper functioning in the long-term of an Administration that desires and needs and must have good relationships with the legislative branch.

Ms. BROWN. I agree with you, Senator and I understand that very well.

Senator MCCLURE. I am pleased to know you have worked here and if you do half as well as you did for Thad Cochran, you will do very well indeed.

Ms. BROWN. Thank you.

Senator MCCLURE. Mr. Snyder, you are dead right on one thing. Your agency will never be popular. I surely do hope it can be respected.

Mr. SNYDER. Thank you, sir.

Senator MCCLURE. I know you bring to this job the qualifications that hold great promise in that respect and I will work with you in any way I can and with my friends on this Committee and throughout the Senate who know far more about the coal business than I will ever know. That is a very tough area but I look forward to working with you.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Ford?

Senator BUMPERS. Mr. Chairman, I did not intend to set a precedent the other day, but it is okay today.

The CHAIRMAN. What did you do the other day?

Senator FORD. I do not know what he did.

Senator BUMPERS. Go ahead.

Senator FORD. He just tried to get ahead of me last week, Mr. Chairman, if you recall. You did not allow him to do that. I owe you something, anyhow. I have very few questions.

Mr. Wakefield, you come with a great deal of support. You are well qualified. Tell the Committee why you took a 90 percent cut in pay to take this job. You have to have good reasons for doing that. I just would like to hear your statement. I know it is motherhood and the 4th of July, but there has to be another reason.

Mr. WAKEFIELD. Well, Senator Ford, I think there are, as I indicated in my opening statement, very important national issues that face the Department where hopefully my background and experience can make a difference. I hope it can help us with a national energy strategy, can help us with the environmental problems that nuclear weapons plants face.

I have tried always to stress to my children that this country has been good to us and we owe something to the Nation in return. I feel here I have an opportunity to make a contribution to the Nation and the time seems right. I am a long-time friend and supporter of the President. It is the right Administration for me. It is the right man at the helm of the Department of Energy who will get something done. I believe that is why I am here.

Senator FORD. Mr. Davis, you have been on the commercial side, or business side of solar energy in development and sales. Is that correct? Did I understand that correctly?

Mr. DAVIS. Yes, sir.

Senator FORD. Will there be any problem with you in your new position as it relates to what the Chairman said—that you are going to have to make a decision? Just because it is solar energy does not make it worthwhile. It has to be a project that shows some prospect and some future to keep us from funding or nickel and diming a lot of projects to death. Anything to prevent you, in your background, from making that kind of decision?

Mr. DAVIS. No, sir. I think I have been successful in the past. It had a lot to do with being reasonably aggressive and maintaining my credibility. The conservation and renewable technologies really offer the opportunity, again, to work on both sides of the meter.

We can make important contributions for all of our energy sources and we need to in the efficiency area. I look at renewables more like new products and new services and there are some opportunities to move these into the mainstream of our economy and business sector, and if we do that in a careful and credible way we will be successful.

Senator FORD. Well, renewable sources fit into the President's request for automobiles being built by the industry that would run on ethanol, methanol, et cetera. Is that part of renewals? Would you have anything to do with that?

Mr. DAVIS. Yes, sir. We have some activities underway to support both ethanol and methanol.

Senator FORD. Does methanol give you any pause for concern as it relates to pollution?

Mr. DAVIS. I think there——

Senator FORD. And/or efficiency?

Mr. DAVIS. I think there is a need to look at all of our energy resources and to look at alcohol fuels in general as an opportunity. As you are well aware, there are a lot of ways to make alcohol fuels.

Senator FORD. You better believe that. Some for human consumption, too. Pears, potatoes—you know.

Mr. Easton, we hear a lot about preparing for an emergency and it seems like we never get around to it until an emergency occurs, and Mr. Wakefield talks about domestic sources and you talk about supply and try to reduce imports.

We have been treading at the above 50 percent of our domestic use of imported energy for several months now. Are you convinced that something can be done, because both of you are going to have to be working closely together, some in the legal field and some in the international relations, and also domestic attitude is going to have to be a factor in making a judgment.

Mr. EASTON. You are absolutely right, Senator. The reason I feel that there is promise is that, as those of us come aboard to join Secretary Watkins and Deputy Secretary Moore, we all have a focus on supporting them in the development of this national energy strategy which we all feel is so sorely needed.

The national energy strategy will tie together all the elements of an integrated policy so that if we can develop greater use of renewables and alternatives and have the appropriate incentives for conservation and efficiency, we can thereby reduce our growing dependence on imported oil and I am pleased to be joining the Department—a Department with such distinguished colleagues, because they certainly bring the ability to run successful programs, that then on the international side can make us much more successful.

So I am optimistic. At the same time, I temper that with—having been in government—knowledge that all too often our citizens do not expect us to act, or do not change their behavior until there really is a crisis. So we need to be leaders in government to help show the way on how we might get to some of these objectives.

Senator FORD. Well, Mr. Easton, I have been very, very impressed with Admiral Watkins and Assistant Secretary Moore's position and their attitude and work so far and I think the panel that is here today indicates the kind of people they are bringing on board to help implement what I consider to be a good program, or a good leadership team, all this is really bringing, I think, that agency up to where we had expected it to be for a long time.

Ms. Brown, I think you have gotten two admonitions here: do everything the Administration wants, do everything the senators want, but never get caught in between. So if you can do that, you ought to do well.

Mr. Snyder, let me say this. There will be other questions here for you today and far be it from me to ask you any additional questions. I just hope that my colleagues here will give you an opportunity soon to serve, because I believe if they do that you will show that you are a good appointee and that you will bring respect to the Department.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Ford. Senator McConnell?

Senator MCCONNELL. Thank you, Mr. Chairman. Mr. Chairman, just a couple of observations. First let me say, it did not take Mr. Snyder long to be effective. If I heard him correctly a few moments ago he indicated that the Secretary had decided to repeal the valid existing rights rule.

I think that is certainly getting off to a good start, Mr. Snyder, and I want to commend you for your apparent recommendation and for the Secretary's agreement to accept that and I think we expect that that will make your confirmation smoother.

I want to say that I also think it is the right thing to do. Senator Ford and I had indicated some time earlier this year, we had hoped the Department would take the step that you have indicated today the Secretary is going to take and I want to commend you for it.

I, like Senator Ford, obviously have no interest in prolonging this. Just one other, very general question, to which I assume I am going to get a general response.

Over the years, in Kentucky, it seems to me that virtually everyone in the coal business spends a considerable portion of their time complaining about OSM and I am wondering—you indicated earlier that there is no way to make this a popular agency—but I am wondering what you have in mind in terms of at least getting their respect and I think that is pretty important to establish at the outset of your tenure, if you are to start off the way you should.

Mr. SNYDER. Well, Senator, I am not sure I can even give you a general answer to that question, but let me just say that a lot of times the credibility and the respect, the degree of management skills, whatever, are as much a part of the perception as they are the reality and I think criticism sort of produces more criticism and a lot of times you get to the point where it is just a whipping post for everyone. It is popular to beat up on something. It is easy to criticize that.

I think there may also be some specific reasons. Perhaps a lack of stability at the leadership in terms of their tenure. I think they have had something like seven or eight directors in the last 10 or 11 years.

But while that does not say anything about the value or the skills of any of those individuals, it does say something about a consistency in policy, consistency in enforcement, not producing a kind of work environment—there is nobody to relate to if you have a revolving door at the top and that could be one thing. To the extent that I can I certainly intend to stay there for the full tenure of this Administration.

Senator MCCONNELL. One thing that I think will help you is no apparent preexisting bias. You are going to be one of the few people we have had in that shop over the years who comes into it not associated with either the industry side or environmental side and I think at least that gives you a chance to start out without the notion on the part of at least one camp or the other that you somehow are over there to do a job on the other side.

I wish you well. I think, as I said earlier, I think you are an outstanding appointment. Personally, of course, I am very happy about this and I think you are going to do a great job.

Mr. SNYDER. Thank you, Senator.

Senator MCCONNELL. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator McConnell. Next is Senator Domenici.

Senator DOMENICI. Thank you very much, Mr. Chairman. Let me first say in a general way, as sort of a backup to what Senator McClure indicated, I have had a chance to talk to all of you and reviewed your record and I guess I am only sorry of one thing and that is that we did not have you here for confirmation four or five months ago.

Obviously, in reviewing your commitment and your background you are all going to be tremendous assets and it would have been better for our country if we did not establish the notion that we have to wait almost eight months of a President's term to get people like you before us.

I have noted an extraordinary amount of commitment in each of you as I talked with you. Essentially I believe you are here to serve and are very proud to be part of this Administration and I applaud you for that, and when I can tell every one of you seriously mean that and looking at what some of you have given up to take this job, some of us are truly in awe and on the other hand rather incredulous that you would be so committed and I compliment you for that.

Mr. Wakefield, let me just say to you that I never did hear how many lawyers you had over there under your jurisdiction. I knew it was a lot. I have from time to time even had an idea of asking my friend Bennett Johnston in the appropriation process to strike out 15 or 20.

In particular, in that I think you have an abundance of patent lawyers over there and I just want to make a point with you. You have two Presidents now who have urged the Department of Energy to move swiftly and expeditiously with technology transfer out of the national laboratories that are in your jurisdiction. I hope, as Chief Counsel, you will take that charge seriously.

I know you need the expertise of all the patent authority that is around that place, because obviously there are some very, very intriguing issues of proprietary rights, copyrights and patents, but essentially I believe lawyers are not there to make the job of the Department as mandated by the President and concurred in by Congress, more difficult; rather, to make it more easy to accomplish its ends.

I believe you will find this to be one of the most tedious and difficult areas of law in the Department, because we have public institutions trying to transfer property rights and to enter into agreements with the private sector in a new and unique kind of culture.

They are trying to be user-friendly to the private sector and it is difficult, but I hope that I merely make the point here today that your legal staff can be tremendously important in whether those national assets called the laboratories are as efficient and as effective in making us more productive and competitive, or not.

I know you are aware of that, but I think many senators here share my concern, especially those who are privileged to have some of these assets—the national laboratories—within their states.

Mr. WAKEFIELD. Senator Domenici, I share your concern. I share your feeling that the national laboratories are important national assets and I believe my role as General Counsel is to see that we move things expeditiously and that we have a lot of can-do lawyers and not lawyers that are always finding reasons to delay, or why we cannot do something. My feeling is that they do respond well to that and I will see to it that we encourage that view even more.

Senator DOMENICI. Let me just talk about the naval petroleum reserve which Senator McClure alluded to a while ago, and I share his concern.

I might say, Senator McClure, it is not unexpected by this senator that the Department of Energy is fearful to speak of their proposal, because every time they have spoken of the naval petroleum reserve and trying to change its nature and its appropriateness in these particular times, Congress gets so upset that at one point they even had in an appropriation bill that came out of the House that you should spend no money, internal or external to the Department, to study or evaluate the naval petroleum reserve.

I think maybe that has meant to some of you that you ought not to even talk about it and I understand that. However, I do believe that when you speak of setting up national reserves and when you speak of the military needs in an event of an emergency, that the Administration's proposal, the latest one, is worthy of consideration and I hope that before this year passes, that we can convince this Committee to take a look.

It truly would help the fiscal policy of the Nation and would create a rather significant new reserve with durability that is not present when all you have is what comes out of the wellhead as part of the total of the naval petroleum reserve.

So it is a very significant asset and it could have an impact on the preparation of both defense and civilian stockpiles in this country that it does not now have and at the same time help with fiscal policy, so I urge, especially since about 30 percent of our trade deficit is foreign oil now—I believe that is correct. 30 percent of 140, whatever that number is. It is a lot and growing. We ought to do whatever we can to alleviate that.

My last observation is, for any of you who are going to be part of the national energy plan that the Secretary is part of, I urge that you not give up on the idea of better capturing American oil reserves. I submit to you that secondary and tertiary oil is a reserve that we are about to lose, and it is 70 percent in many fields, of the oil in the field.

There are proposals around, including one supported by many senators, to create some incentives to get that oil out of the ground. I think that any energy policy that did not have incentives to capture in a more expeditious manner the secondary and tertiary oil that is under the ground in abundance—in fact, if we did something significant we could increase our reserves as much as 25 percent just by the passage of a series of incentives that would be the most economic way to recover domestic oil that anybody has come up with and yet it is languishing around, perhaps waiting for the

Administration to come forth with some proposals with reference to incentives.

My last observation has to do with the solar and conservation and I would say, Mr. Davis, while we did spend a lot of money on these processes, some of which our Chairman is correct on, I assume you are aware that there is now evolving some new uses for focused solar energy, perhaps in the field of toxic cleanup, where the very abnormal thermal rays from a solar focused array may indeed be part of a new way to clean up toxic substances. I hope as these things evolve that we do not run into departmental hangups, but rather that you are working with others to utilize what we paid for in the broadest and most flexible manner.

Mr. DAVIS. Yes, sir.

Senator DOMENICI. Thank you very much, Mr. Chairman.

The CHAIRMAN. Senator Bumpers.

Senator BUMPERS. Mr. Wakefield, first of all I want to say that the answer to Senator Ford's question about why you are taking such a tremendous cut in salary I thought was a very good one. It was an excellent answer. Nobody but you and I probably believe it in this cynical world.

But I made $10,000 a year when I was governor, four years, $10,000 a year, generously set in the constitution of 1874. And I got a lot of mileage out of a story about leaving my first paycheck out on the chest of drawers, and the maid saw it and thought it was hers, and quit. My personal secretary made twice as much as I did.

And so there was an editorial. The editorial writer—I remember one editorial writer, right after I announced for the Senate, said he had always predicted that I would run for the Senate because the pay was so much better. And scout's honor, when I announced for the Senate, I had no idea what the salary of a Senator was, and I did not care, and I still do not. I will work for $89,000, or $69,000, or $139,000, or whatever they pay me, because I always wanted to be a United States Senator. And it never occurred to me even to look. At that time it was $42,000, which certainly was a lot more than I was making. But that was not the criteria, and that is not the problem around here right now. The problem is the way we finance campaigns.

But I just want to say I commend you for your answer. I believe you, and I think there are a few dedicated people around who agree with you and who believe that public service is a really noble profession.

Do you know Joe Thompson, Baker and Botts?

Mr. WAKEFIELD. Yes, I do recall Joe. He was there a number of years ago. I have not seen him in some time now. I remember he was from Arkansas.

Senator BUMPERS. He was from my hometown. He grew up across the street from me.

Mr. Davis, do you believe strongly in the job you are about to undertake as to what you can do for renewables, and conservation, and making a contribution to the energy supply of this country?

Mr. DAVIS. Yes, sir, I do. I have invested basically all my time and energy since 1972 in the topics of both renewable energy and conservation. I have also invested my own limited personal resources.

I do not come at this from the same position as Mr. Wakefield, but I would like to associate myself with all of his comments. I think they are all true. And I think to the extent that we can carefully look at all of our energy options and do it in a credible way, that is absolutely the best thing we can do for conservation and renewables.

I think there has been, to a certain extent, an us against them mentality. I do not share that mentality. I think we have a number of options. They are all extremely important. Careful analysis of those options within the Department should help us bring forward to you and others good proposals to proceed.

Senator **Bumpers**. Mr. Davis, during the Reagan years the budget requests for renewables and conservation went down—I am talking about the Administration's requests, not what Congress appropriated—went down every year. And while I am much more hopeful and optimistic about the future now than I was when he was President, I am concerned, and I want you to listen to these figures, which you probably have already seen but for the benefit of the record.

This year we are putting $92.2 million in solar energy research, and the request by the administration is for a $21 million cut for next year, 1990. In geothermal they cut from $19.5 million—recommend a cut from $19.5 million to $15.4 million, better than a $4 million cut. Electric energy systems, which Senator McClure has always been vitally concerned with, $23.5 million to $17.3 million; energy storage systems, $13.5 million to $8.6 million. In short, total renewable energy research and development for this year is $150 million. The recommendation by the administration for next year is $114 million, or a $36 million cut.

Do you think that is a very good way to get there?

Mr. **Davis**. Sir, I think the budget figures that you are referring to are an excellent point of departure. In perspective, we consume 17 million barrels of oil a day, just oil, in this country. That is $250 million, $260 million, $270 million a day. And against that perspective we have got to look at what we spend annually, not just on conservation and renewables but all the energy technologies where we need success.

I think there is very clearly an opportunity to look and to develop better proposals consistent with what this committee and others have supported in the past.

Senator **Bumpers**. This year—listen to this—for photovoltaics—and that is something that I have a lot of hope for. I was getting ready to spend $2,000 to put lights on my walkway to the driveway, because there are a lot of steps on it, and people are visiting, and at night they stumble around on those steps, and—I am talking about the sober ones.

I was getting ready to spend $2,000 on outdoor lighting just to light those steps. I went to Hechinger's, and I found a little deal for $40, a solar lamp. You just drive it in the ground. And I have had it for two years, and it just works beautifully. It will stay on. It comes on automatically when dark comes, and it stays on until about midnight almost every day. You do not have to have very much sun. Forty bucks. Incidentally, I bought another one about two weeks ago, and it only worked for about a week.

But this year the United States is spending $35 million on photovoltaics. Do you know how much Japan is spending?

Mr. DAVIS. There has been a certain amount of discussion, and both Japan and Germany are making more aggressive investment in these areas.

Senator BUMPERS. Germany is going to spend over twice that much this year, and the Japanese are going to spend $48 million. There again I do not want to belabor these points, Mr. Davis, except you see what the administration does largely depends on what you recommend.

Now, in the past, OMB has simply called over to Energy and said here is so much money we want you to request, and that is, actually OMB calls the shots in all of these things. So this committee has to rely on you. We cannot call OMB, and we cannot call you, and we cannot call the President and say how much we want you to recommend for renewables and conservation for the coming year. We just have to rely on your statements here before this committee that you are committed to these kinds of things.

And I am not saying that money is the only solution to it. We are getting a bonanza right now. Are you familiar with the Luz Corporation?

Mr. DAVIS. Yes, sir, I am.

Senator BUMPERS. There is a solar company that has launched out on its own. They have 250 megawatts of solar electricity right now. That is more than enough to take care of the city of Little Rock's needs. They are building another 150 and have another 150 in the planning stages—roughly those figures.

So I am just saying that we are counting on you, Mr. Davis, to back up what you are telling us this morning in your commitment to these programs. And I feel sure you will. I know you are a man of integrity.

Now, Mr. Snyder——

The CHAIRMAN. Can I interrupt just for a second? Senator McClure had one comment to make.

Senator MCCLURE. He is trying to drag me out of here to another meeting. I appreciate it, Mr. Chairman, and thank you, Senator Bumpers.

I just wanted to say, Mr. Snyder, with respect to valid existing rights, that is an issue that is not going to go away. I do not care how the Secretary responds to any individual pressure in any individual period of time.

I think fundamental to our constitutional system of government is the protection of private property, and a valid existing right is a private property. I do not think it is right for a government to say to a person well, you may own the property, but we are not going to let you use it. That is not a respect for property rights.

So I am concerned that even though that proposed rule may have been withdrawn, the problem remains—the question of justice to our citizens remains; and I think it must be addressed. So I make that comment only because you have highlighted the Secretary's action withdrawing the proposed rule, but I think we need to highlight the fact that there still needs to be a solution. If we are not going to allow them to use the property, then justice requires, and I hope decency requires, that we will pay them for the property we are taking. That is what the Constitution requires.

As I read the Fifth Amendment, it says "nor be deprived of life, liberty, nor property without due process of law, nor shall private property be taken for public use without just compensation." I think we are all familiar with that phrase of the Fifth Amendment. That, to me, has real meaning. It is not just casual. I think that is essential to our concept of individual freedom.

Mr. SNYDER. As an attorney, Senator, I could not agree more. And the difficulty with this is trying to balance those two interests. I did not say it was easy, but I said we were going to give it our best shot, and I think perhaps seek more advice from the Hill as we try to solve this problem.

Senator MCCLURE. Thank you very much, Mr. Snyder. I appreciate that.

Thank you, Senator Bumpers.

Senator BUMPERS. Mr. Chairman, just to pursue precisely what Senator McClure was talking about, Mr. Snyder, first of all I want to say you have heard the old saw, "If it ain't broke, don't fix it." As far as I am concerned, the office you are inheriting is broke. And if you read the GAO report back in April or May of 1988, which I assume you have done—have you?

Mr. SNYDER. No, sir.

Senator BUMPERS. I must insist that you do that as quickly as possible. And if you read that, you will see that you are inheriting a basket case. And if you are half as talented as Senator Ford tells me you are, you will be able to handle it.

But there is one thing that I think we ought to get clearly on record here, and that is, we are very pleased by your personal commitment about the valid existing rights rulemaking, but what we really need to know is are you going to insist—and I know we are talking about your boss—are you going to insist that Mr. Lujan not proceed any further until you have an opportunity to make a recommendation to him in these areas?

Mr. SNYDER. I am trying to figure out if that is a "Have you quit beating your wife?" question, Senator.

Senator BUMPERS. No, it is not. It was not intended that way.

Mr. SNYDER. Until I am confirmed, Senator Bumpers, I have no status in the department and have not been involved in the formulation of policy. The Secretary simply asked me to pass on his message to this committee during this hearing today as an appropriate forum to do that, and partly in response to the letter that you and Senator Rockefeller sent the Secretary not too long ago.

As to the specific next step, Senator, I just do not have a position on that today. I have not been involved enough in this issue or several of these others to tell you exactly what is going to happen and when. But as soon as I am in a position to do that, it is going to be one of my very highest priorities and first tasks.

Senator BUMPERS. Mr. Snyder, you are going to be confirmed, and you are going to be confirmed very promptly. I would guess sometime in the next six or seven days, unless somebody has strong objections and puts a hold on your nomination. As I pointed out, we are all gratified by your commitment in your opening statement that if you are confirmed, you will review the valid existing rights rulemaking.

Mr. SNYDER. Yes, sir.

Senator BUMPERS. But that does not satisfy me, and I do not think it does many people. Just review the existing rights rulemaking is not enough.

I think it is important that you not only review it, but that you at least ask the Secretary not to proceed any further until you have had a chance to review it and make recommendations as to how we ought to proceed.

Mr. SNYDER. Well, under the current law, Senator, to the extent that I am authorized to do that, I have no problem with it. But I am suffering from a pretty steep learning curve on some of these technicalities of Federal rulemaking. I have been looking around for a dictionary of acronyms for the last couple of days just to try to figure out what some of these letters mean in some of these things.

I promise you that I will stay up nights and try to get up to speed on it, and to be more responsive to you to the extent that the law permits us to not proceed any further with this until we have determined about a new rule or the need thereof, or what the content of that should be. I would like a little more expression of specific direction from interested members of the Senate and the House.

Senator BUMPERS. I would be happy to provide that.

Mr. SNYDER. Thank you, Senator.

Senator BUMPERS. Mr. Snyder, have you discussed this with Secretary Lujan?

Mr. SNYDER. We talked about it over the weekend, not in any kind of depth. The discussion pretty much revolved around your letter and all of the controversy and the number of comments that this rule generated.

Senator BUMPERS. Now, you say that you are going to review the existing rights rulemaking, the state oversight policy, and the applicator violator system. Lujan said he is going to withdraw the proposals on valid existing rights. Is that correct?

Mr. SNYDER. That is what he indicated to me, yes.

Senator BUMPERS. But you still have the state oversight policy and the applicator violator system, and you say you are going to make recommendations to the Secretary. It seems to me foolish to say that you are going to make recommendations to him if we do not have a commitment from him or at least your commitment to ask him to not do anything until you can review these things and make recommendations.

Mr. SNYDER. On valid existing rights or on all of these issues?

Senator BUMPERS. Will you ask the Secretary not to do anything further until you can review it and make recommendations?

Mr. SNYDER. I am not sure I understand what you mean by "anything further," Senator.

Senator BUMPERS. You see, your assurance that you are going to review these things and make recommendations does not preclude the Secretary from going ahead with whatever he wants to do in the field of applicator violator system, which incidentally, the GAO report says needs to be totally revised. They say that system is broke. And the state oversight policy.

It seems to me that that is not asking for anything more than a simple commitment on your part to say we ought not to go forward until you have a chance to look it over and make recommendations.

Mr. **SNYDER**. To the extent that that is a legitimate position for——

Senator **BUMPERS**. I am not going to get crosswise with your boss. That is not my point.

Mr. **SNYDER**. I do not want to get crosswise with the law either, Senator. There has to be some kind of a current position, current process, current procedure in place.

This rule the Secretary has indicated he wants to withdraw is a proposal. It has been out for comment. The comment period closed on April 24, 1989. They are still reviewing the comments to that proposal.

Now, DSM has been doing something since the act passed with respect to valid existing rights. It may not have been good, it may not have been right, but they have been doing something. And I do not know whether the law permits me to recommend to the Secretary that he stop doing it or not.

Senator **BUMPERS**. Well, Mr. Snyder, I will call your boss on this, okay?

Mr. **SNYDER**. Yes, sir.

Senator **FORD**. Senator Rockefeller?

Senator **ROCKEFELLER**. Thank you, Mr. Chairman.

I co-signed the letter with Senator Bumpers, Mr. Snyder, as you know, and I am very pleased to see the message that you brought about valid existing rights. I should say, too, that I look forward to working with you. I have very good reports about you, not just from Senator Ford and Senator McConnell. But you are considered to be very able and very direct, and that is something that I care about a lot.

I participated rather heavily in the 1977 strip mine law, went through, as Wendell knows, a number of battles of my own in West Virginia in the late 1960s and early 1970s on that. And I am proud to say that there is even something called the Rockefeller Amendment to the 1977 law, which was amazing in that I was not in the Senate.

And so I am pleased by the news that you have brought us, and I want to work with you on that. And I would hope that you would be willing to include, as you have indicated, congressional members as you work on this problem.

I agree with what Senator Bumpers is saying, and I understand your constraint also. And I think that as a logical person that you will, undoubtedly, when the time comes ask him not to move until you have had a chance to review that situation. It seems to me a common sense type thing to do, and I choose to make the assumption that you are going to do that.

You find it difficult to say that at this point, putting the Secretary on the spot when you are not confirmed. But I choose to believe that that is what you will do when you are confirmed.

I am a little less mollified or pleased by the AVS oversight policy response, which we also addressed in our letter to the Secretary. And I would hope that he would withdraw that until you have had a chance to review the policy.

My information tells me—and this is a pretty bogus system—people mine and move on and do not have to reclaim. Out of 15,300 permits that ran through the computer to check on the background, only one came up unacceptable, and seven were questionable.

My common sense tells me that that is not the way it works. So I think there is something fundamentally wrong with AVS. And I really do not understand why you are not willing to say, and perhaps you will say so, that you are not willing to review that.

Mr. SNYDER. I am willing to review it, Senator. Perhaps we are mixing some apples and oranges here. We are talking about the applicant violator system, which essentially is a computer system—hardware and software—with a lot of data in it that is supposed to be a useful tool in enforcement and in oversight.

The oversight policy is a new policy worked out, I am told, between the States and OSM personnel which deals pretty much with what kind of reports other than AVS that OSM is going to require as part of continuing the principle of primary where States are the principal enforcers of the Surface Mining Act. Unlike VER, I am not sure there is anything to be stopped or started here, nor am I well enough informed to talk in detail today about what do we do if we stopped it and what it will not do if we do not stop it.

The applicant violator system, the automated nature of that, I think, is not so much a policy as it is a management problem, and there must be some reason it does not work.

Senator ROCKEFELLER. But those words are important to me because you are recognizing that it does not work, and it clearly cannot if you have that large a sample and only one rejection.

Mr. SNYDER. It would seem to be a good indication that something is wrong with the data or the way the data are formatted. I am not a computer expert, but as a friend of ours said back home—Senator Ford, says—"It don't take no mental heavyweight to figure that out."

Something is wrong with the system. Give me a couple of months and I will find out what it is.

Senator ROCKEFELLER. Would you be willing to include some interested groups like myself and some others?

Mr. SNYDER. Absolutely. We are going to need all of the help we can get.

Senator ROCKEFELLER. I just think that is—it is really important. There was a tremendous amount of attention on good reclamation in the late seventies and the early eighties. A lot of things happened in the early seventies, and it picked up a lot of steam and—I do not know, Wendell, whether anybody is working in West Virginia today or not on the coal strike.

My understanding is that most of the people have gone back to work. West Virginia has not gone back to work. But when they do go back to work, if they do go back to work, the strip mines have to be reclaimed right.

When you have 4 percent of the land flat and 96 percent of the land not flat, as we do in West Virginia, it makes a difference. There are floods and siltations and aesthetics and tourism and the sense of well-being of the state. And I have confidence in you that you will do what you have said you would do, and I will look forward to working with you on that with respect to AVS.

Mr. SNYDER. Thank you, Senator.

Mr. ROCKEFELLER. Thank you, Mr. Chairman.

Senator FORD. Let me make one suggestion, Mr. Snyder, that you say 90 days rather than 60 days. And if you could expedite that to come in sooner, I do not want once you get over there and get into that mess and you try to figure out how to get out of it, I am not sure you can do it in 60 days.

Would that upset you any, Jay, if he brings you in and you begin to look at it in, say, 90 days or sooner?

Senator ROCKEFELLER. That is fine.

Senator FORD. Well, I think that probably would be. The record will be left open for questions to be asked of the nominees. It will be closed at 6:00 p.m. today. So, if any of our colleagues on the committee have questions for the nominees, we are hopeful that they will be in prior to 6:00 p.m. today.

This hearing is adjourned.

[Whereupon at 11:33 a.m., the hearing was adjourned.]

APPENDIXES

APPENDIX I

Informational Statements of the Nominees

UNITED STATES SENATE

COMMITTEE ON ENERGY AND NATURAL RESOURCES

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Wakefield (LAST) Stephen (FIRST) Alan (OTHER)

Position to which nominated: General Counsel - DOE

Date of nomination: 6/19/89

Date of birth: 18 (DAY) Oct. (MONTH) 40 (YEAR)

Place of birth: Olney, Illinois

Marital status: Married

Full name of spouse: Patricia McGuire Wakefield

Name and ages of children

Mark - 7

Stephen, Jr. - 16

Tracy - 17

Melissa - 20

Tricia Sullivan - 22

Selby Sullivan, Jr. - 25

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Univ of Texas Law Sch	1962-1965	LLB	1965
Univ of Texas(Austin)	1959-1962		
Arlington State Coll.	1959		
Texas A & M	1958-1959		
Polytechnic High School Fort Worth, TX	1955-1958	diploma	

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

Baker & Botts, Associate attorney, Houston, TX 1965-1970

Federal Power Com., Asst. to Gen. Counsel, Washington 1970-1972

Dept. of the Interior, Deputy Asst. Sec, Washington 1972-1973

Dept. of the Interior, Asst. Sec., Washington, 1973-1974

Federal Energy Office, Asst. Administrator, Washington 1973-1974

Baker & Botts, Partner, Houston, TX 1974-1984

United Energy Resources, Vice Ch. & Gen. Counsel Houston 1985-1986

Baker & Botts, Sr. Partner, Houston, TX 1986-present

Employment record—Continued

Military service: Describe any military service not listed above, including dates, rank, and type of discharge.

None

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Chancellors Honorary Legal Society

Texas Law Review, Associate Editor

Law Degree with Honors

History Honorary Fraternity

Butler and Binion Law School Scholarship

Phi Delta Phi Legal Fraternity

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Dates	Office held (if any)
American Bar Association	1974-present	Committee ch.
Texas Bar Association	1965-present	
Houston Bar Association	1986-present	
Federal Energy Bar Assn.	1978-present	
Houston Chamber of Commce.	1974-present	Committee Ch.
Sigma Phi Epsilon	1959-present	President
Metropolitan Racquet Club	1978-1984	

Memberships: continued

Organization	Dates	Office held
River Oaks Country Club	1978-present	
Ramada Club	1984-present	
Texas Club	1985-1986	
Athletic Club of Houston	1974-1984	

Published writings: List the titles, publishers and dates of any books, articles, or reports you have written.

Casenotes in Texas Law Review, 1964-1965

"Allocation, Price Control and the FEA",
Rocky Mountain Mineral Law Institute, 1975

Future employment relationships:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

Yes

2. Do you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization?

No

3. Has a commitment for employment after you leave government been made to you by anyone? Have you made any such commitment?

No

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

N/A

Future employment relationships—Continued

(b) If you have been appointed for an indefinite term, are there any known limitations on your willingness or ability to serve for the foreseeable future?

No

Financial statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

Withdrawal interest from partnership in Baker & Botts: approximately $150,000. to be received in January 1990

3. Are you currently a party to any legal action? If so, describe its nature and status.

Defendant in shareholder derivative action filed in Delaware in 1986 against all directors of MidCon in connection with sale to Occidential Petroleum. Suit has not been prosecuted by plaintiffs.

4. Have you ever declared bankruptcy? If so, describe the circumstances.

No

5. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

Yes

6. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

Yes. Minor additional payments required for deductions which were disallowed as result of two audits.

Potential conflicts of interest:

1. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

Spousal ownership of AT&T stock, partner in law firm of Baker & Botts, Boterlove limited partnership, S. Beyer gas well royalty interest (disposition of which occurred on June 1, 1989)

2. Describe any business relationship, dealing or financial transaction (other than taxpaying) that you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, which might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

I do not believe I have any such business relationship, dealing or financial transaction. I will, of course, comply with the requirements of section 606 of the Department of Energy Organization Act regarding my forme energy concern clients, as described in the attached statement of the DOE designated agency ethics official.

3. Describe any lobbying activity which you have performed during the past 10 years with respect to legislative or administrative actions at the Federal, State or local level.

None

4. Have you been informed of the conflict of interest laws and regulations applicable to the position to which you have been nominated?

Yes

Potential conflicts of interest—Continued

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to this form and the attachments thereto. Attach a statement of the appropriate agency ethics official explaining the applicable laws or regulations, any potential conflicts, and the action required to resolve such conflicts.

I will abide by the commitments reflected in the attached statement of the designated agency ethics official.

6. Explain how you will resolve any potential conflicts of interest that may arise in the future if you are confirmed for the position for which you have been nominated.

I intend to comply with all applicable conflict of interest laws and regulations, and to seek the guidance of the designated agency ethics official with respect to conflict of interest questions.

Public disclosure: Do you have any objections to this form and the attachments thereto being made public?

No

District of Columbia) ss

AFFIDAVIT

I, Stephen A. Wakefield being duly sworn, hereby state that I have read the foregoing Statement for Completion by Presidential Nominees, including all attachments thereto, and that the information provided therein is, to the best of my knowledge and belief, current, accurate, and complete.

Stephen A Wakefield
(Signature of Nominee)

Subscribed and sworn to before me this 28th day of June, 19 89

Notary Public

My Commission Expires November 14, 1989

Form approved by the Committee February 5, 1985.

U.S. GOVERNMENT PRINTING OFFICE 1987—67-074

SF 278 (Rev. 1/88)
FPM Chapter 734
U.S. Office of Personnel Management

Financial Disclosure Report

Form Approved
OMB No. 3209-0002

Reporting Status *(Check Appropriate Box)* ☐ Incumbent ☒ New Entrant, Nominee, or Candidate ☐ Termination Filer	Agency Use Only JUN 19 1989	OGE Use Only	Date of Appointment, Candidacy, Election or Nomination *(Mo., Day, Yr.)*
			Termination Date *(If Applicable) (Month, Day, Year)*
Reporting Individual's Name	Last Name WAKEFIELD	First Name and Middle Initial STEPHEN A.	
Position for Which Filing	Title of Position GENERAL COUNSEL	Department or Agency *(If Applicable)* DEPARTMENT OF ENERGY	
Location of Present Office	Address *(Number, Street, City, State and ZIP Code)* 3000 ONE SHELL PLAZA HOUSTON, TEXAS 77002	Telephone No. *(Include Area Code)* (713) 229-1184	
Position(s) Held With the Federal Government During the Preceding 12 Months *(If Not Same as Above)*	Title of Position(s) and Date(s) Held NONE		
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination SENATE ENERGY COMMITTEE	Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No	
Certification I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Signature of Reporting Individual Stephen A. Wakefield	Date *(Month, Day, Year)* 4/21/89	
Other Review **(If desired by agency)**	Signature of Other Reviewer	Date *(Month, Day, Year)*	
Agency Ethics Official's Opinion The information contained in this report discloses no conflict of interest under applicable laws and regulations.	Signature of Designated Agency Ethics Official/Reviewing Official Roger B. Greenberg	Date *(Month, Day, Year)* 6/20/89	
Office of Government Ethics Use Only	Signature	Date *(Month, Day, Year)*	

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A, C, and D. (Candidates do not file Part II of Schedule D.)

- **Schedule A**—The reporting period for Income (BLOCK C) and Transactions Test (BLOCK D) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I** (Liabilities)—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II** (Agreements and Arrangements)—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Comments of Reviewing Officials *(If additional space is required, use the reverse side of this sheet)*

See 6/20/89 statement of designated agency ethics official. RBG

(Check box if comments are continued on the reverse side) ☐

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278-108

NSN 7540-01-070-8444

[illegible]
Office of Personnel Management

JUN 19 1989

Reporting Individual's Name WAKEFIELD, STEPHEN A.	Assets and Income	Page Number	2	Schedule A	

[illegible] In BLOCK A report (a) the [illegible] of each asset held for the production [illegible] at the close of the reporting [illegible] had a fair market [illegible] $1000 and (b) any other source or amount of income which generated [illegible] $100 in income during the reporting [illegible]. This includes but is not limited to employment, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal business and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 or more received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

S or DC	BLOCK A Assets & Income Sources Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	BLOCK B Valuation of Assets Category of Value (X) None (or less than $1001)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	BLOCK C Income Type of Income (X) Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	Category of Amount of Income (X) None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	BLOCK D Transactions Test If yes, complete Schd. B Part I for those assets including those sold for a loss. YES	NO
Example	XYZ Common				X				X									X									
	Doe Jones & Smith, Hometown, USA			X											ptnrshp income									$60,000		X	
1	Baker & Botts Houston, Texas					X¹	X²								ptnrship income									$114,000 — 1989 $607,453 — CY1988		ak 6/19/89	
2	Boterlove (limited partnership - commercial real estate) Houston, Texas	ak 6-19-89			X				X										X								
3	Fidelity Municipal Bond Funds (High Yield Bond Fund) ak 6-19-89				X						X							X									
4	S.T. Associates (limited partnership - commercial real estate) ak Houston, Texas					X			X										X								
5	AT&T Common (S)			X					X								X										
6	Southwestern Bell Common (S)				X				X ak 6-19-89									X									
7	Space Industries Common				X											X											
8	229 West Hallam; Aspen, CO (Second Residence)							X		X											X						
9	Gant Condominium Aspen, CO	X ak								X											X						
10	S. Beyer, Agent, Royalty (royalties - producing gas well)	(South Main Pass, Louisiana)	X							X							X										

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X¹ = capital account
X² = withdrawal paid out from firm } ak 6-19-89

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FPM Chapter 734
U.S. Office of Personnel Management

JUN 19 1989

Form Approved
OMB No. 3209-0080

Reporting Individual's Name		Page Number	Schedule
WAKEFIELD, STEPHEN A.	**Assets and Income**	3	A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to commodities, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

	BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets							BLOCK C Income																	BLOCK D Transactions Test	
	Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	Category of Value (X)							Type of Income (X)						Other (Specify Type)	Category of Amount of Income (X)								Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	If yes, complete Schd. B Part I for those assets including those sold for a loss.	
S or DC		None (or less than $1001)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust		None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000			YES	NO
Example:	X Y Z Common				X				X									X						—		X	
	Doe Jones & Smith, Hometown, USA			X											ptnrshp income									$80,000			
1	IRA – Fidelity Capital Appreciation (Fidelity Mutual Funds)		X								X						X										
2	IRA (S) – Fidelity Capital Appreciation (Fidelity Mutual Funds)		X								X						X										
3	IRA (rollover) – Fidelity Puritan (Fidelity Mutual Funds)					X			X			X								X							
4	Keogh Plan (see lines 8-10) (Fidelity Mutual Funds)																										
5	401(k) Plan Fidelity Freedom (Fidelity Mutual Funds)			~~X~~	X				X			X						X									
6	Sale of Cant Condominium Aspen, CO	X										X			capital gains							X					
7	Personal Checking Account Bridge Bank (formerly MBank) Houston, TX				X						X				Interest		X										
8	Keoghs Fidelity Magellan					X			X								X										
9	Fidelity Equity Income					X			X			X						X									
10	Keogh (rollover): Fidelity High Income				X				X										X								
	Fidelity Overseas				X				X								X										

All amendments made 6-19-89

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FPM Chapter 734
U.S. Office of Personnel Management

JUN 19 1989

Form Approved
OMB No. 3209-0002

Reporting Individual's Name
WAKEFIELD, STEPHEN A.

Page Number	4	Schedule C

Part I
Liabilities

All Filers: Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to relatives. See instructions for revolving charge accounts:

NONE ☐

	Creditor (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (X) $10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
S or DC / Examples:	First District Bank, Washington, DC	Mortgage on rental property, Rehoboth Beach, Delaware	1981	13%	25 yrs.			X		
	John Jones, 123 J St., Washington, DC	Promissory note	1979	10%	on demand	X				
1	NCNB; Houston, Texas (North Carolina National Bank) 6-19-89	Promissory note	1989	prime	5 yrs.			X		
2	Bridge Bank (formerly MBank Houston); Houston, Texas	Promissory note	1986	prime	paid				X	
3	Platte Valley Mortgage; Scottsbluff, Nebraska	Mortgage on second home; Aspen, Colorado	1978	9%	30 yrs.				X	
4	Colonial Savings; Fort Worth, Texas	Mortgage on condominum; Aspen, Colorado	1983	11%	paid				X	
5	Baker & Botts Savings Plan - Trustee	Loan from Keogh Plan	1986	prime	5 yrs.		X			
6										

Part II
Agreements Or Arrangements

All Filers: Report your agreements or arrangements for future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

NONE ☐

Status and Terms of any Agreement or Arrangement	Parties	Date (Mo., Yr.)
Example: Pursuant to partnership agreement, will receive capital account & partnership share calculated on service performed through 11/83	Doe Jones & Smith, Hometown, USA	7/75 partnership agrmt.
Pursuant to partnership agreement, will receive capital account and withdrawal payout calculated	Baker & Botts; Houston, TX	1/89 Partnership Agr.
at the time of withdrawal from Firm to enter government service.		

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JUN 19 1989

Reporting Individual's Name	WAKEFIELD, STEPHEN A.
Page Number	5
Schedule	D

Part I
Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting period. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE ☐

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/82	6/83
	Doe Jones & Smith, Hometown, USA	Law firm	Partner	7/78	11/83
	BAKER & BOTTS: HOUSTON, TEXAS	Law Firm	Partner	5/74 6/86	12/84 Present

Part II
Compensation In Excess Of $5000 Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE ☐

	Source (Name and Address)	Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, USA	Legal services
	Metro University (client of Doe Jones & Smith) Hometown, USA	Legal services in connection with university construction
	Baker & Botts; Houston, Texas	Legal services.
	Cabot Corporation; Houston, Texas	Legal services.
	Coastal Corporation (The); Houston, Texas	Legal services.
	~~Consumers Power Company; Jackson, Michigan~~	~~Legal services.~~ 6/20/89
	CSX Corporation; Richmond, Virginia	Legal services.
	Eastex Energy; Houston, Texas	Legal services.

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U.S. Office of Personnel Management

JUN 19 1989

Form Approved
OMB No. [illegible]

Page Number	6	Schedule D

Reporting Individual's Name

WAKEFIELD, STEPHEN A.

Part I
Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting period. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE ☐

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/83	6/83
	Doe Jones & Smith, Hometown, USA	Law firm	Partner	7/76	11/83

Part II
Compensation In Excess Of $5000
Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE ☐

	Source (Name and Address)	Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, USA	Legal services
	Metro University (client of Doe Jones & Smith) Hometown, USA	Legal services in connection with university construction
	Enron Corp.; Houston, Texas	Legal services.
	Exxon Company, U.S.A.; Houston, Texas	Legal services.
	Houston Industries, Inc.; Houston, Texas	Legal services.
	Imperial Holly Corporation; Sugarland, Texas (sugar co.) NT 6-11 19	Legal services.
	Marathon Oil Company; Houston, Texas	Legal services.
	Mesa Limited Partnership; Amarillo, Texas	Legal services.

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SF 278 (Rev. [illegible])
FPM Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. [illegible]

JUN 19 [illegible]

Reporting Individual's Name	WAKEFIELD, STEPHEN A.

Page Number	7	Schedule D

Part I
Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting period. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE ☐

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/82	6/83
	Doe Jones & Smith, Hometown, USA	Law firm	Partner	7/78	11/83

Part II
Compensation In Excess Of $5000 Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE ☐

	Source (Name and Address)	Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, USA	Legal services
	Metro University (client of Doe Jones & Smith) Hometown, USA	Legal services in connection with university construction
	Pennzoil Company; Houston, Texas	Legal services.
	Quantum Chemical; New York, New York	Legal services.
	Tennessee Gas Pipeline Company; Houston, Texas	Legal services.
	TexasGulf, Inc.; Houston, Texas	Legal services.

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Stephen A. Wakefield, senior partner in a Texas law firm and a former Assistant Administrator for International Affairs at the Federal Energy Office, predecessor to DOE, has been nominated by President Bush to the post of General Counsel at the Department.

He is currently a Senior Partner in the law firm of Baker & Botts and Chairman of the firm's energy practice in Houston and Washington. He has been a partner in Baker & Botts since 1974 except for a period during 1985-1986 when he served as Vice Chairman and General Counsel of United Energy Resources, Inc., which at the time was a diversified oil and gas company headquartered in Houston. He also served during this period as President of UER's major interstate pipeline subsidiary, United Gas Pipe Line Company.

In 1973, President Nixon appointed Mr. Wakefield as Assistant Secretary of the Interior for Energy and Minerals. With the creation of the Federal Energy Office in December 1973, he was appointed Assistant Administrator and served concurrently in that position until his return to Baker & Botts in May 1974. Earlier he served as Assistant to the General Counsel of the Federal Power Commission and Deputy Assistant Secretary of the Interior from 1970 to 1973.

He was graduated from the University of Texas School of Law in 1965. He was born in Olney, Illinois, raised in Fort Worth, Texas and currently resides in Houston. He is married to the former Pam McGuire. They have six children.

DOE F 1325.8
(12-84)

United States Government **Department of Energy**

memorandum

DATE JUN 20 1989

REPLY TO
ATTN OF GC-43

SUBJECT Statement of Agency Ethics Official for Senate Committee

TO Stephen A. Wakefield

This memorandum is intended to serve as a statement from the designated agency ethics official for this Department, as required by the Statement for Completion by Presidential Nominees that you are submitting to the United States Senate Committee on Energy and Natural Resources in connection with your nomination to the position of General Counsel, Department of Energy. I have reviewed your Standard Form 278 (Financial Disclosure Report) dated April 21, 1989, and your Form DOE-460 (Report on Prior Employment) dated May 31, 1989, and have certified that the information contained therein discloses no conflict of interest under applicable laws and regulation.

Section 208, title 18, United States Code, prohibits a Federal officer or employee from participating personally and substantially, as a Government employee, in any particular matter in which, to his knowledge, he has, or his spouse, minor child, partner, organization in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment has, a financial interest.

In Schedule A of your Standard Form 278, you have listed your spouse's ownership of AT&T stock. Accordingly, you should avoid participation in any particular matter the outcome of which could have a direct and predictable effect on AT&T or any other such financial interests.

In addition, you have informed me that, upon confirmation and appointment, you will resign from the law firm of Baker and Botts, and that you will receive immediate distribution of your share of the firm's capital account. You have also advised me that the amount of a "withdrawal payout" to be received from the firm will be determined at the time that you resign from the firm. This payout, which is calculated on the basis of your average income over the three years prior to your resignation and is paid out of current firm revenues, may be made available to you in a lump sum or in installment payments over the 24 months following your resignation from the firm. You have informed me that you will elect to receive this payout as a lump sum but that you wish to defer receipt of the payout until 1990. You have advised me that this arrangement is in accordance with the firm's standard written partnership agreement, and that you will not retain a pension or other benefit as a result of your employment by the law firm.

Since you have elected to defer receipt of this withdrawal payout, your interest constitutes a financial interest in the law firm for purposes of 18 U.S.C. 208.[1] Accordingly, until you have received this payout and thus severed all relations with Baker and Botts, you should avoid participation in any matter the outcome of which could have a direct and predictable effect upon the firm of Baker and Botts, or upon clients of Baker and Botts when such clients are represented by Baker and Botts with regard to such matters.

As a supervisory employee of the Department, restrictions regarding participation in matters involving prior employers contained in section 606 of the DOE Organization Act (Pub. L. No. 95-91) will be applicable to you. Section 606(a) of the Act prohibits a supervisory employee, for a period of one year after terminating any employment with any energy concern, from knowingly participating in any Department proceeding[2] in which his former employer is substantially, directly, or materially involved, other than in a rulemaking proceeding which has a substantial effect on numerous energy concerns. Further, section 606(b) of the Act prohibits a supervisory employee, for a period of one year after commencing service in the Department, from knowingly participating in any Department proceeding for which, within the previous five years, he had direct responsibility, or in which he participated personally and substantially, while in the employment of any energy concern.

[1] In Schedule A of your SF 278, you have also advised that you, along with other members of the firm of Baker and Botts, formed a partnership which holds a limited partnership interest in Boterlove, a real estate investment. You have indicated that, upon confirmation and appointment, you will divest of your interest in this partnership.

[2] The term "Department proceeding" is defined in section 1010.103(h) of title 10, Code of Federal Regulations, as "any judicial proceeding, Department hearing, application, rulemaking, order, license, contract, grant, award, fund transfer, claim, controversy, charge, accusation, or arrest, in which the Department is directly involved."

In Part A of your Form DOE-460, you have reported that you provided legal services to the following clients during 1988 and 1989: American Oil and Gas Corp., Anadarko Petroleum Corporation, Cabot Corporation, Coastal Corporation, Coastal Oil and Gas Corporation, CSX Corporation, CSX Oil and Gas Corp., Enron Corp., Exxon Company, Houston Industries, Inc., Houston Lighting and Power Company, Marathon Oil Company, Mesa Limited Partnership, Pennzoil Company, Quantum Chemical Corporation, Wagner and Brown.

Each of these entities has been determined to be an energy concern within the meaning of section 601(b) of the DOE Act. [3] Therefore, in accordance with section 606(a), you should avoid participation, for a period of one year from the date on which you last provided legal services to each client, in any Department proceeding in which that former client is substantially, directly, or materially involved, other than a rulemaking proceeding that has a substantial effect on numerous energy concerns.

In Part A of your Form DOE-460, you have further identified clients to whom you have provided legal services during the past five years. In addition to the entities listed above, these clients include: Consumers Power Company, Eastex Energy, Inc., Gas Company of New Mexico, Pogo Producing Company, Roy M. Huffington, Inc., Tarpon Offshore Pipeline System, Inc., Tennessee Gas Pipeline Company, Texasgulf, Inc., United Energy Resources, Inc., and United Pipe Line Company. Each of these entities has been determined to be an energy concern within the meaning of section 601(b) of the DOE Act. Therefore, in accordance with section 606(b), you should avoid participation, for a period of one year after commencing service in the Department, in any Department proceeding for which, within the past five years, you had direct responsibility, or in which you participated personally and substantially, in providing legal services to any of these energy concern clients.

As a supervisory employee of the Department, you will also be prohibited by section 602(a) of the Department of Energy (DOE) Organization Act (Pub. L. No. 95-91) from knowingly receiving compensation from, holding any official relation with, or having any pecuniary interest in any energy concern.

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[3] The term "energy concern" is defined in section 601(b) of the Act as any entity "significantly engaged in the business" of any of a variety of activities related to energy production, distribution, sale, or research and development, or any entity significantly engaged in such research and development pursuant to a DOE-funded program irrespective of whether it otherwise engages in such business. The term also includes any entity holding an interest in property from which an energy resource is commercially produced or obtained.

In Schedule A of your Standard From 278, you have listed a financial interest in "S. Beyer, Agent, Royalty." You have explained that you receive these royalties from producing gas wells. This gas well interest has been determined to be an energy asset within the meaning of section 602(a) of the DOE Act. Accordingly, you have agreed that, upon your confirmation and appointment, you will divest of this interest. Please inform this office in writing when the required divestiture action has been taken.

Please let me know if I can be of further assistance.

Ralph D. Goldenberg
Assistant General Counsel for
General Law

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES
STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Davis (LAST) Jon (FIRST) Michael (OTHER)

Position to which nominated: Assistant Secretary Conservation & Renewable Energy

Date of nomination: April, 1989

Date of birth: 09 (DAY) 02 (MONTH) 47 (YEAR)

Place of birth: Ione, Washington

Marital status: Married

Full name of spouse: Joan Ann Davis

Name and ages of children

Matthew Wade	15	
Brian Eric	14	
Laura Eden	8	

Education:

Institution	Dates attended	Degrees received	Dates of degrees
USAF Academy	6/65 - 6/69	Bachelors of Science	6/69
University of Illinois	7/69 - 2/70	Masters of Science	6/70

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

See Attached Sheet

Employment Record

Date/Employer/Location	Title/Job Description
a. 2/86 to Present GlowCore Colorado, Inc. 2875 W. Oxford #4 Englewood, CO. 80110	President, Business Management, Engineering, Design, & Marketing HVAC Systems
b. 4/82 to 2/86 Sunbelt Energy Corp. 2686 S. Tejon St. Englewood, CO. 80110	Vice President, Business Management, Engineering, Design & Marketing Commercial Solar Systems
c. 5/80 to 4/82 Solar Energy Research Inst. 1617 Cole Blvd. Golden, CO. 80401	Division Manager, Solar Applications for Buildings
d. 9/77 to 5/80 U.S. Dept. of Energy 1000 Independence Ave. S.W. Washington, D.C. 20585	Division Manager, Solar Heating & Cooling Applications for Buildings & Industry
e. 7/76 to 8/77 USAF Civil Eng. Center Tyndall AFB Panama City, FL. 32403	R&D Project Engineer, Energy Conservation & Solar Project Research Development
f/ 10/72 to 6/76 USAF USAF Academy Colorado, 80840	Assistant Professor of Civil Eng. Teaching Mathematics, Civil & Structural Engineering & Solar Energy Courses.
g. 9/71 to 10/72 USAF HQ. 7th AF, USAF Republic of Vietnam	Chief of Engineering Section, Field Engineering & Construction
h. 2/70 to 8/71 Kelly AFB, USAF 2851 Air Base Gp., USAF San Antonio, TX 78241	Group Civil Eng. Officer, Engineering Design and Construction

Employment record—Continued

Military service. Describe any military service not listed above, including dates, rank, and type discharge

USAF 6/65-6/69 Cadet USAF Academy

USAF 6/69-7/76 2nd Lt. thru Captain USAF

Honorable Discharge 7/76

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honor society memberships, and any other special recognitions for outstanding servi or achievement

Distinguished Graduate, USAF Academy

Bronze Star Medal, USAF

Vietnam Honor Medal 1st Class, Republic of Vietnam

Outstanding Young Men of America, - US Jaycees

Registered Professional Engineer, Colorado #12746

Memberships. List below all memberships and offices held in professional, fraternal, busines scholarly, civic, charitable and other organizations.

Organization	Dates	Office held (if any)
Rocky Mountain Gas Assoc.	2/86 to present	None
Colorado Solar Energy Industries Assoc.	4/82 to 2/86	President

Published writings

List the titles, publishers and dates of any books, articles, or reports you have written

I have authored, co-authored, and edited numerous technical papers and technical reports. All documents have dealt with established engineering science and data and are non controversial.

Future employment relationships:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

Yes

2. Do you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization?

No

3. Has a commitment for employment after you leave government been made to you by anyone? Have you made any such commitment?

No

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

N/A

Future employment relationships—Continued

(b) If you have been appointed for an indefinite term, are there any know limitations on your willingness or ability to serve for the foreseeable future

No

Financial statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278

2. List sources, amounts and dates of all anticipated receipts from deferred incom arrangements, stock options, uncompleted contracts and other future benefi which you expect to derive from previous business relationships, profession services and firm memberships or from former employers, clients, and custom ers. Amounts should be indicated by the categories established for reportin income on Form SF 278, Schedule A.

I sold my ownership in GlowCore Colorado on 5/19/89 for $24,000.

I will receive monthly payments of $632.00 for 48 months.

3. Are you currently a party to any legal action? If so, describe its nature and statu

No

4. Have you ever declared bankruptcy? If so, describe the circumstances.

No

5. Have you filed a Federal income tax return for each of the last 10 years? If no please explain.

Yes

6. Has the Internal Revenue Service ever audited your Federal tax return? If so, wh resulted from the audit?

No

Potential conflicts of interest

1. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

I have no investments, obligations, liabilities or other relationships which will cause any conflict or potential conflict of interest with this position, other than the previously noted relationship with GlowCore Inc.

2. Describe any business relationship, dealing or financial transaction (other than taxpaying) that you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, which might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None to report.

3. Describe any lobbying activity which you have performed during the past 10 years with respect to legislative or administrative actions at the Federal, State or local level.

I have submitted written and oral testimony to State Government Legislative Committees and to members of Colorado's National Delegation iln support of extending the Solar Tax Credits. This testimony occured during 1985.

4. Have you been informed of the conflict of interest laws and regulations applicable to the position to which you have been nominated?

Yes

Potential conflicts of interest—Continued

5. Explain how you will resolve any potential conflict of interest that may disclosed by your responses to this form and the attachments thereto. Atta statement of the appropriate agency ethics official explaining the applic laws or regulations, any potential conflicts, and the action required to res such conflicts.

I am not aware of any existing conflicts or potential conflicts of interest, other than the previously noted relationship with with GlowCore Colorado.

6. Explain how you will resolve any potential conflicts of interest that may aris the future if you are confirmed for the position for which you have t nominated.

#5 Upon confirmation, I will recuse myself withrespect to GlowCore Colorado Inc. See attached letter.

#6 I intend to comply with all applicable conflict of interest laws and regulations, and to seek the guidance of the designated agency ethics official with respect to conflict of interest questi

Public disclosure: Do you have any objections to this form and the attachments thereto being m public?

NO

District of Columbia) ss

AFFIDAVIT

I, J. Michael Davis being duly sworn, hereby state that I have read the foregoing Statement for Completi Presidential Nominees, including all attachments thereto, and that the information provided therein is, to the best of my know and belief, current, accurate, and complete.

J. Michael Davis
(Signature of Nominee)

Subscribed and sworn to before me this 29th day of June , 1989

Cheryl D. Arrington
Notary Public
My Commission Expires November 14, 1989

Form approved by the Committee February 5, 1985.

U.S. GOVERNMENT PRINTING OFFICE 1987—87-07

RECUSAL STATEMENT

Jon M. Davis

I hereby recuse myself from participation in any Departmental matter that could have a direct and predictable effect upon Glow Core, Colorado, Inc.

I have directed Joyce Barr, Secretary,
(Name) (Title)

to route all such matters to B. Reid Detchon,
(Name)

Principal Deputy Assistant Secretary.
(Title)

6/29/89
Date

J. Michael Davis
Signature

OFFICIAL COMMITTEE FILE
PLEASE RETURN

United States
Office of Government Ethics
P.O. Box 14108
Washington, D.C. 20044

JUN 27 1989

ENERGY COMMITTEE
RECEIVED
JUN 27 1989

The Honorable J. Bennett Johnston
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Jon M. Davis, who has been nominated by President Bush for the position of Assistant Secretary, Conservation and Renewable Energy of the Department of Energy.

We have reviewed the report and have also obtained advice from the Department of Energy concerning any possible conflict in light of the functions of this position and the nominee's proposed duties. Attached is a copy of a statement from the Designated Agency Ethics Official of the Department of Energy to Mr. Davis which indicates that Mr. Davis will recuse himself from official participation in any particular matter which may affect his financial interest in Glowcore Inc., until he has fully divested of such interest. Based on the foregoing, we believe that Mr. Davis is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Frank Q. Nebeker dpr
Frank Q. Nebeker
Director

Enclosures: As Stated

SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

Financial Disclosure Report

Form Approved
OMB No. 3209-0002

Page 1

Reporting Status *(Check Appropriate Box)*

☐ Incumbent ☒ New Entrant, Nominee, or Candidate ☐ Termination Filer

Agency Use Only	JUN 19 1989	OGE Use Only	JUN 21 1989	
Date of Appointment, Candidacy, Election or Nomination *(Mo., Day, Yr.)*	4/3/89	Termination Date *(If Applicable)* *(Month, Day, Year)*		

Reporting Individual's Name
Last Name: Davis
First Name and Middle Initial: Jon M

Position for Which Filing
Title of Position: Assistant Secretary Conservation & Renewable Energy
Department or Agency *(If Applicable)*: DOE

Location of Present Office
Address *(Number, Street, City, State and ZIP Code)*: 2875 W. Oxford #4, Englewood, CO. 80110
Telephone No. *(Include Area Code)*: (303) 761-3240

Position(s) Held With the Federal Government During the Preceding 12 Months *(If Not Same as Above)*
Title of Position(s) and Date(s) Held: None

Presidential Nominees Subject to Senate Confirmation
Name of Congressional Committee Considering Nomination: Senate Energy & Nat Resources
Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No

Certification
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.
Signature of Reporting Individual: J. Michael Davis
Date *(Month, Day, Year)*: 4/3/89

Other Review
(If desired by agency)
Signature of Other Reviewer:
Date *(Month, Day, Year)*:

Agency Ethics Official's Opinion
The information contained in this report discloses no conflict of interest under applicable laws and regulations.
Signature of Designated Agency Ethics Official/Reviewing Official: Roger S. Greenberg
Date *(Month, Day, Year)*: 6/20/89

Office of Government Ethics Use Only
Signature: Frank Q. Nebeker
Date *(Month, Day, Year)*: 6/27/89

Comments of Reviewing Officials *(If additional space is required, use the reverse side of this sheet)*

Mr. Davis is being given 18 U.S.C. 208 advice regarding his interest in Glavcore Colorado.

(Check box if comments are continued on the reverse side) ☐

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A (except for BLOCK D), C, and D. (Candidates do not file Part II of Schedule D.

- **Schedule A**—The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I** (Liabilities)—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II** (Agreements and Arrangements)—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

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278-110

NSN 7540-01-070-8444

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FPM Chapter 734
U.S. Office of Personnel Management

Financial Disclosure Report

Form Approved
OMB No. [illegible]

Page 1

Reporting Status *(Check Appropriate Box)* ☐ Incumbent ☒ New Entrant, Nominee, or Candidate ☐ Termination Filer		Agency Use Only JUN 19 1989	OGE Use Only	Date of Appointment, Candidacy, Election or Nomination *(Mo., Day, Yr.)* 4/3/89
				Termination Date *(If Applicable)* *(Month, Day, Year)*
Reporting Individual's Name	Last Name Davis	First Name and Middle Initial Jon M		
Position for Which Filing	Title of Position Assistant Secretary Conservation & Renewable Energy	Department or Agency *(If Applicable)* DOE		
Location of Present Office	Address *(Number, Street, City, State and ZIP Code)* 2875 W. Oxford #4, Englewood, CO. 80110	Telephone No. *(Include Area Code)* (303) 761-3240		
Position(s) Held With the Federal Government During the Preceding 12 Months *(If Not Same as Above)*	Title of Position(s) and Date(s) Held None			
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination Senate Energy & Nat Resources	Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No		
Certification **I CERTIFY** that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Signature of Reporting Individual J Michael Davis	Date *(Month, Day, Year)* 4/3/89		
Other Review *(If desired by agency)*	Signature of Other Reviewer	Date *(Month, Day, Year)*		
Agency Ethics Official's Opinion The information contained in this report discloses no conflict of interest under applicable laws and regulations.	Signature of Designated Agency Ethics Official/Reviewing Official Roger S. Goldenberg	Date *(Month, Day, Year)* 6/20/89		
Office of Government Ethics Use Only	Signature	Date *(Month, Day, Year)*		

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A (except for BLOCK D), C, and D. (Candidates do not file Part II of Schedule D.

- **Schedule A**—The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I** (Liabilities)—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II** (Agreements and Arrangements)—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Comments of Reviewing Officials *(If additional space is required, use the reverse side of this sheet)*

Mr. Davis is being given 18 U.S.C. 208 advice regarding his interest in Glowcore Colorado. RSG

(Check box if comments are continued on the reverse side) ☐

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U.S. Office of Personnel Management

JUN 19 1989

Form Approved
OMB No. 3209-0001

Reporting Individual's Name		Page Number	Schedule
Jon Michael Davis	**Assets and Income**	2 3/5	A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

S or DC	BLOCK A Assets & Income Sources: Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	BLOCK B Valuation of Assets: Category of Value (X): None (or less than $1001)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	BLOCK C Income: Type of Income (X): Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	Category of Amount of Income (X): None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	BLOCK D Transactions Test: If yes, complete Sched. B Part I for those assets (including those sold for a loss). YES	NO
Examples:	X Y Z Common				x				x									x						—		x	
	Doe Jones & Smith, Hometown, USA			x											ptnrshp income									$30,000			
1	Stock GlowCore Colo. Inc.				X											X											
2	GlowCore Colorado, Inc.														Salary & profit sharing							X		$35,000 - 1988 $15,000 - 1989	6-20-89		
3 S	GlowCore Colorado, Inc. (has terminated employment) 6-20-89														salary & sales incentives						X						
4 DC	None																										
5																											
6																											
7																											
8																											
9																											
10																											

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JUN 19 1989

Reporting Individual's Name	Jon Michael Davis

Page Number	3 of 5	Schedule B

Part I
Transactions

Incumbents and Termination Filers only: Report any purchase, sale or exchange by you, your spouse or dependent child during the reporting period of any real property, stocks, bonds, commodities futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse or your dependent child.

NONE ☐

S or DC		Identification of Assets	Type of Transaction (X)				Amount of Transaction (X)					
			Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000
	Example:	X Y Z Common	X			2/1/83			X			
1		not applicable mes 6-20-89										
2												
3												
4												
5												
6												

Part II
Gifts, Reimbursements and Travel Expenses

Incumbents and Termination Filers only:
Report the source, a brief description and the value of: (1) in-kind gifts of transportation, lodging, food or entertainment received from one source totaling $250 or more unless received as personal hospitality at the donor's personal or family residence; (2) other gifts received from one source totaling $100 or more in value; and (3) cash reimbursements of $250 or more received from one source. Exclude gifts and reimbursements received by your spouse that were given totally independent of their relationship to you. Exclude transportation, lodging, food and reimbursements from the U.S. Government. For (1) and (2), exclude gifts from relatives and exclude gifts of $35 or less when aggregating them for the total from one source. See instructions for further exclusions.

NONE ☐

S		Source (Name and Address)	Brief Description	Value
	Example:	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/83	$500
		Nat'l Assn. of Rock Collectors, NY, NY	Leather briefcase for retiring president	$125
1		not applicable mes 6-20-89		
2				
3				
4				
5				
6				

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U.S. Office of Personnel Management

JUN [illegible]
Form Approved
OMB No. [illegible]

Reporting Individual's Name Jon Michael Davis			Page Number	4 2 5	Schedule C

Part I
Liabilities

All Filers: Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to relatives. See instructions for revolving charge accounts.

NONE ☐

	S or DC	Creditor (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (X) $10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
Examples:		First District Bank, Washington, DC	Mortgage on rental property, Rehoboth Beach, Delaware	1981	13%	25 yrs.			X		
		John Jones, 123 J St., Washington, DC	Promissory note	1979	10%	on demand	X				
1		I have no liabilities over 10,000 except my personal residence									
2	S	No liabilities over 10,000									
3	DC	No liabilities									
4											
5											
6											

Part II
Agreements Or Arrangements

All Filers: Report your agreements or arrangements for future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

NONE ☐

Status and Terms of any Agreement or Arrangement	Parties	Date (Mo., Yr.)
Example: Pursuant to partnership agreement, will receive capital account & partnership share calculated on service performed through 11/83	Doe Jones & Smith, Hometown, USA	7/78 partnership agmnt.
If I am confirmed in this position at DOE, I will sell	GlowCore Colorado, Inc. ;	TBD
my 50% Ownership in GlowCore Colorado, Inc. to its employees. In return, I would	David Miller ~~30%~~ (35%)	
receive 2½% of net company revenues for 4 years. (see Statement for Senate Energy Committee)	Rebecca Sharstrom ~~10%~~ (25%)	
On 5/19/89 Mr. Davis acquired 100% ownership of (rmd 6-20-89)	Roger Johnson ~~Philip Jenson~~ ~~10%~~ (40%)	
GlowCore Colorado, Inc. He intends to sell this interest to the parties listed under an arrangement in which the buyers will	parentheses indicate percentage	
assume the debts of the corporation and pay to Mr. Davis $24,000 in	of ownership after sale	
monthly installments for a fixed term at a fixed interest rate.	of business	

rmd 6-23-89

PREVIOUS EDITION USABLE

278-100

SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

JUN 19 1989

Page Number	5 of 5	Schedule D

Reporting Individual's Name
Jon Michael Davis

Part I
Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting period. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE ☐

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/83	5/88
	Doe Jones & Smith, Hometown, USA	Law firm	Partner	7/78	11/83
	GlowCore Colorado, Inc. 2875 W. Oxford #4, Englewood, CO. 80110	Mechanical Constractor	President, 50% Owner	2/86	Present

Part II
Compensation In Excess Of $5000 Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE ☐

	Source (Name and Address)	Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, USA	Legal services
	Metro University (client of Doe Jones & Smith) Hometown, USA	Legal services in connection with university construction
	GlowCore Colorado, Inc.	Business Management, Engineering Design, Marketing High Efficiency HVAC
	2875 W. Oxford #4, Englewood, CO. 80110	products and systems for Residential and Light Commerical Applications.

PREVIOUS EDITION USABLE

Department of Energy
Washington, DC 20585

July 11, 1989

MEMORANDUM FOR Jon M. Davis

FROM: Ralph D. Goldenberg
Assistant General Counsel for General Law

SUBJECT: Participation Restrictions

This is further to my June 21, 1989 memorandum to you (Statement of Agency Ethics Official for Senate Committee) regarding your nomination to the position of Assistant Secretary, Conservation and Renewable Energy. By that memorandum, I advised you that section 208, title 18, United States Code, prohibits a Federal officer or employee from participating personally and substantially, as a Government employee, in any particular matter in which, to his knowledge, he has a financial interest. In that connection, my memorandum noted that, in view of your continuing financial interest in GlowCore Colorado, Inc. during the period of the payout resulting from your sale of this business, you have agreed to recuse yourself from participation, as a Government employee, in any particular matter, including general policy and rulemaking matters, that could have a direct and predictable effect upon GlowCore Colorado, Inc., or its successor. You have requested additional guidance concerning the scope of matters encompassed by this recusal.

Section 208 prohibits a Government employee from participating in any "judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter" that might affect his private financial interest. Applied to your situation, this restriction would clearly prohibit your participation in particular matters specific to GlowCore Colorado, Inc. That such a matter would arise in the context of your official DOE responsibilities appears highly unlikely.

However, the term "particular matter" as used in section 208 has also been interpreted to include certain rulemaking and general policy matters, *i.e.*, it extends to all discrete matters that are the subject of agency action, no matter how general their effect. But this broad construction of the term "particular matter" under section 208 is tempered by the "direct and predictable effect" requirement. Thus, for example, section 208 might prohibit your participation in a rulemaking on appliance standards that applied only to installers of heating, ventilation and air conditioning equipment, including GlowCore Colorado, Inc.; but it probably would not prohibit your participation in such a rulemaking that applied to manufacturers, distributors, dealers, and installers of all large energy consuming appliances. In other words, to determine whether section 208 is implicated, a determination must be made in each case whether the universe of affected entities is sufficiently small and well-defined to allow assessment of "direct and predictable effect."

It is important to note that section 208(b)(1) of the statute does provide some relief from the broad reach of the participation restrictions. It allows waiver of the participation restrictions if (1) the employee first advises the Government official responsible for appointment to his position of the nature and circumstances of the matter and makes full disclosure of the financial interest, and (2) receives in advance a written determination made by such official that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from the employee.

Please call me if I may be of further assistance.

BIOGRAPHY

The President has announced his intention to nominate J. Michael Davis, a former DOE Headquarters and SERI executive, to be Assistant Secretary of Energy for Conservation and Renewable Energy. He would succeed John R. Berg.

Since 1986, Davis has served as the President of GlowCore Colorado, Inc., in Englewood, CO, and was Vice President of Sunbelt Energy Corp. in Englewood from 1982-1986.

Earlier he held positions with the DOE Solar Energy Research Institute in Golden, CO, as Manager of Planning and Special Program (1981-1982); Acting Associate Director for Analysis and Applications, 1981; and Buildings Division Manager, 1980-1981. At DOE Headquarters he served as a manager in the solar-thermal program from 1977 to 1980.

Veteran of Vietnam

He is a graduate of the U.S. Air Force Academy (B.S. 1969) and the University of Illinois (M.S. 1970). He served in the Air Force from 1969-1977 and received the Bronze Star and the Vietnam Honor Medal. He is a registered Professional Engineer.

He currently resides in Lakewood, CO.

DOE F 1325.8
(12-84)

United States Government Department of Energy

memorandum

DATE: JUN 21 1989

REPLY TO
ATTN OF: GC-43

SUBJECT: Statement of Agency Ethics Official for Senate Committee

TO: Jon M. Davis

This memorandum is intended to serve as a statement from the designated agency ethics official for this Department, as required by the Statement for Completion by Presidential Nominees that you are submitting to the United States Senate Committee on Energy and Natural Resources in connection with your nomination to the position of Assistant Secretary, Conservation and Renewable Energy. I have reviewed your Standard Form 278 (Financial Disclosure Report) dated April 3, 1989, and your Form DOE-460 (Report on Prior Employment) dated April 30, 1989, and have certified that the information contained therein discloses no conflict of interest under applicable laws and regulation.

Section 208, title 18 United States Code, prohibits a Federal officer or employee from participating personally and substantially, as a Government employee, in any particular matter in which, to his knowledge, he has, or his spouse, minor child, partner, organization in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment has, a financial interest.

In Part I of Schedule D of your Standard Form 278, you have reported that you are president and 50 percent owner of GlowCore Colorado, Inc.[1] You have advised this office that, in a transaction subsequent to the execution of your Standard Form 278, you acquired 100 percent ownership of GlowCore Colorado, Inc. However, you have further advised that, upon confirmation and appointment, you intend to divest of this interest in GlowCore Colorado, Inc. by selling your interest to employees of the corporation. I understand that under the terms of this transaction, these individuals will assume the debts of the corporation and will purchase your interest in the corporation for $24,000, which will be paid to you in equal monthly installments for a fixed term at a fixed interest rate. (The buyers have also agreed to change the name of the corporation.)

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[1] GlowCore Colorado, Inc. is a mechanical contractor engaged in the business management, engineering design, and marketing of high efficiency heating, ventilation and air conditioning products and systems for residential and light commercial applications. GlowCore, Colorado, Inc. is not a subsidiary of GlowCore, Inc.

This interest constitutes a financial interest within the meaning of 18 U.S.C. 208. Therefore, until you have received all amounts owed to you from the corporation, you should avoid participation in any matter the outcome of which could have a direct and predictable effect upon GlowCore Colorado, Inc., or its successor. Accordingly, you have agreed to recuse yourself from participation in any particular matter, including general policy and rulemaking matters, that could have a direct and predictable effect upon GlowCore Colorado, Inc., or its successor.

As a supervisory employee, you will also be prohibited by section 602(a) of the Department of Energy (DOE) Organization Act (Pub. L. No. 95-91) from knowingly receiving compensation from, holding any official relation with, or having any pecuniary interest in any energy concern. The term "energy concern" is defined in section 601(b) of the Act as any entity "significantly engaged in the business" of any of a variety of activities related to energy production, distribution, sale, or research and development, or any entity significantly engaged in such research and development pursuant to a DOE-funded program irrespective of whether it otherwise engages in such business. The term also includes any entity holding an interest in property from which an energy resource is commercially produced or obtained.

Please let me know if I can be of further assistance.

Ralph D. Goldenberg
Assistant General Counsel
for General Law

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Easton (LAST) John (FIRST) J. Jr. (OTHER)

Position to which nominated: Assistant Secretary for International Affairs & Energy Emergencies

Date of nomination: June 22, 1989

Date of birth: 16 (DAY) June (MONTH) 1943 (YEAR)

Place of birth: San Francisco, CA

Marital status: Single

Full name of spouse: N/A

Name and ages of children: N/A

Education:

Institution	Dates attended	Degrees received	Dates of degrees
University of Colorado	9/60 to 8/64	B.S.	Aug 64
Georgetown University			
Law Center	9/64 to 12/69	J.D.	Feb 70

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

1.	4/89 to Present	Principal Deputy Assistant Secretary, USDOE, Washington, DC
2.	6/87 to 4/89	Counsel to Miller, Eggleston & Rosenberg, Ltd., Burlington, VT
3.	1/86 to 6/87	Vice President, Syn-Cronamics, Inc., Englewood Cliffs, NJ
4.	1/85 to 1/86	Attorney in Sole Practice in Burlington, VT
5.	1/81 to 1/85	Attorney General, State of Vermont, Montpelier, VT
6.	7/78 to 6/80	Director of Rate Setting, State of Vermont, Waterbury, VT
7.	6/75 to 7/78	Assistant Attorney General, State of Vermont, Montpelier, VT
8.	9/72 to 6/75	Attorney, Davison & Easton, Stowe, VT
9.	11/70 to 9/72	Attorney, Paterson, Gibson, Noble & Brownell, Montpelier, VT

Employment record--Continued

10. 9/68 to 10/70 Marketing Representative, General Dynamics, Washington, DC

11. 9/64 to 9/68 Lt & Capt, USAF, Bolling AFB, DC & Taipei, Taiwan

Positions 2, 4, 5, 7, 8, and 9 were legal positions; Positions 3 & 10 were corporate marketing; Positions 1 & 5 were government administration

Military service: Describe any military service not listed above, including dates, rank, and type of discharge.

USAF Sept 1964 to Aug 1968 - Honorable Discharge

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Dates	Office held (if any)
Rotary International	1978 to present	Treasurer
Copley Hospital	1983 to 1989	Board Member
Vermont Mozart Festival	1987 to 1989	Board Member
Boy Scouts of America	1988 to 1989	Exec Brd Member
American Legion	1980 to present	
Veterans of Foreign Wars	1981 to present	

(Cont. next page)

MEMBERSHIPS:	Loyal Order of Moose	1984 to present	
	US Olympic Committee	1987 to 1989	State Chair
	Lake Champlain Regional Chamber of Commerce	1987 to 1989	
	American Bar Association	1971 to present	House of Delegat
	Vermont Bar Association	1971 to present	Brd of Managers
	Virginia State Bar	1970 to present	
	American Judicature Society	1976 to present	
	Conference on Consumer Finance Law	1978 to present	General Committe

Published writings: List the titles, publishers and dates of any books, articles, or reports you have written.

Future employment relationships:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

Yes - already done

2. Do you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization?

No present plans concerning any employment after government service

3. Has a commitment for employment after you leave government been made to you by anyone? Have you made any such commitment?

No and No

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

N/A

Future employment relationships—Continued

(b) If you have been appointed for an indefinite term, are there any known limitations on your willingness or ability to serve for the foreseeable future?

No

Financial statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

State of Vermont Deferred Compensation program invested in Aetna Life Insurance's stock account. Account value is approximately $20,000 and is available under terms of the Internal Revenue Code pertaining to such accounts.

3. Are you currently a party to any legal action? If so, describe its nature and status.

When I was Vermont Attorney General, I was on occasion, named as a defendant, ex officio. Some of those cases could still be active. In addition, while I was Attorney General, the State of Vermont brought legal action against Federal agencies, including the DOE. If any of these cases are still pending, I would recuse myself from any involvement.

4. Have you ever declared bankruptcy? If so, describe the circumstances.

No

5. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

Yes

6. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

Yes; settlement was agreed to.

Potential conflicts of interest:

1. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

Energy clients of my former law firm, Miller, Eggleston & Rosenberg, Ltd, including

(1) Green Mountain Power Corporation

(2) Champlain Pipeline Company

2. Describe any business relationship, dealing or financial transaction (other than taxpaying) that you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, which might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

3. Describe any lobbying activity which you have performed during the past 10 years with respect to legislative or administrative actions at the Federal, State or local level.

I was registered in Vermont to represent several clients before the Vermont General Assembly. In addition, I represented the National Association of Attorneys General on several occasions by testifying before Congressional committees.

4. Have you been informed of the conflict of interest laws and regulations applicable to the position to which you have been nominated?

Yes

Potential conflicts of interest—Continued

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to this form and the attachments thereto. Attach a statement of the appropriate agency ethics official explaining the applicable laws or regulations, any potential conflicts, and the action required to resolve such conflicts.

I have agreed to recuse myself from engaging in any activities described in the memorandum of June 22, 1989

6. Explain how you will resolve any potential conflicts of interest that may arise in the future if you are confirmed for the position for which you have been nominated.

I will recuse myself from any dealings involving firms I have represented. I will further seek the advice and counsel of DOE's ethics official in resolving any potential conflicts of interest which may arise.

Public disclosure: Do you have any objections to this form and the attachments thereto being made public?

No

AFFIDAVIT

District of Columbia) ss

I, John J. Easton, Jr., being duly sworn, hereby state that I have read the foregoing Statement for Completion by Presidential Nominees, including all attachments thereto, and that the information provided therein is, to the best of my knowledge and belief, current, accurate, and complete.

(Signature of Nominee)

Subscribed and sworn to before me this 12th day of July, 1989

Notary Public

My Commission Expires November 14, 1989

Form approved by the Committee February 5, 1985.

U.S. GOVERNMENT PRINTING OFFICE: 1987—67-074

Department of Energy
Washington, DC 20585

JUN 22 1989

The Honorable Frank Q. Nebeker
Director
Office of Government Ethics
1201 New York Avenue, N.W., Suite 500
Washington, DC 20005

Dear Judge Nebeker:

This letter transmits to you, in accordance with 5 C.F.R. 734.604(c)(2)(iii), a copy of the Standard Form 278, "Financial Disclosure Report," filed by John J. Easton, Jr., incident to his nomination to the position of Assistant Secretary for International Affairs and Energy Emergencies, U.S. Department of Energy. A position description is attached to the form.

I have also enclosed a copy of the statement provided to Mr. Easton, advising him of statutory and other restrictions applicable to his anticipated service as Assistant Secretary. This advice is based upon a review of the interests disclosed in his Standard Form 278, as well as discussions with Mr. Easton concerning actions that he proposes to take with respect to those interests, upon his confirmation and appointment as Assistant Secretary.

I encountered no problems in reaching the conclusions upon which my certification on the form is based.

Sincerely,

Ralph D. Goldenberg

Ralph D. Goldenberg
Assistant General Counsel
for General Law

Enclosures

DOE F 1325.8
(12-84)

United States Government — **Department of Energy**

memorandum

DATE JUN 22 1989

REPLY TO ATTN OF GC-43

SUBJECT Statement of Agency Ethics Official for Senate Committee

TO John J. Easton, Jr.

This memorandum is intended to serve as a statement from the designated agency ethics official for this Department, as required by the Statement for Completion by Presidential Nominees that you are submitting to the United States Senate Committee on Energy and Natural Resources in connection with your nomination to the position of Assistant Secretary for International Affairs and Energy Emergencies. I have reviewed your Standard Form 278 (Financial Disclosure Report) dated April 14, 1989, and your Form DOE-460 (Report on Prior Employment) dated April 19, 1989, and have certified that the information contained therein discloses no conflict of interest under applicable laws and regulation.

On Schedule A of your Standard Form 278, you have reported that you were formerly employed by the law firm of Miller, Eggleston and Rosenberg, Ltd. You have advised that you have terminated your employment with that firm and that you have now received all amounts owed to you as an employee of the firm. However, you have agreed that, in order to avoid any appearance of preference toward former employers or clients, you will recuse yourself, for one year from the date of your appointment to the position of Assistant Secretary, from engaging in private discussions of official business matters with the firm of Miller, Eggleston and Rosenberg, Ltd., or its client, Champlain Pipeline Company and from entertaining individual requests from this firm or said client for any kind of official action.

As a supervisory employee of the Department, you are prohibited by section 606(a) of the DOE Organization Act, for a period of one year after terminating any employment with any energy concern, from knowingly participating in any Department proceeding[1] in which your former employer is substantially, directly, or materially involved, other than in a rulemaking proceeding which has a substantial effect on numerous energy concerns. You are further prohibited by section 606(b) of the Act, for a period of one year after commencing service in the

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[1] The term "Department proceeding" is defined in section 1010.103(h) of DOE's Conduct of Employees regulations as "any judicial proceeding, Department hearing, application, rulemaking, order, license, contract, grant, award, fund transfer, claim, controversy, charge, accusation, or arrest, in which the Department is directly involved."

Department, from knowingly participating in any Department proceeding for which you had direct responsibility, or in which you participated substantially and personally, while in the employment of any energy concern within the previous five calendar years.

On Part A of your Form DOE-460, you have reported that, as an attorney for Miller, Eggleston and Rosenberg, Ltd., you provided legal services to Green Mountain Power Corp. from October, 1988 to April, 1989. Green Mountain Power Corporation is an energy concern within the meaning of section 606 of the DOE Organization Act.[2] Therefore, you are prohibited, for a period of one year from the date on which you last provided legal services to Green Mountain Power Corp., from knowingly participating in any Department proceeding in which Green Mountain Power Corp. is substantially, directly, or materially involved, other than in a rulemaking proceeding which has a substantial effect on numerous energy concerns, and, for a period of one year after commencing service in the Department, from knowingly participating in any Department proceeding for which you had direct responsibility, or in which you participated substantially and personally as a legal consultant to Green Mountain Power Corp.

On Schedule D of your Standard Form 278, you have also stated that you are Vermont State Chairman for the U.S. Olympic Committee. You have informed me that you intend to resign from this position as soon as a replacement is named; however, your attention is drawn to section 1010.204 of DOE's Conduct of Employees regulations, which applies to the outside activities of DOE employees. A copy of this provision is attached for your convenience. In addition, there are Government-wide statutes that affect DOE employees' outside activities. Sections 203 and 205, title 18, United States Code, generally prohibit a Government employee from representing any party other than the

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[2] The term "energy concern" is defined in section 601(b) of the Act as any entity "significantly engaged in the business" of any of a variety of activities related to energy production, distribution, sale, or research and development, or any entity significantly engaged in such research and development pursuant to a DOE-funded program irrespective of whether it otherwise engages in such business. The term also includes any entity holding an interest in property from which an energy resource is commercially produced or obtained.

United States before a court or Government agency in any matter in which the United States has an interest.[3]

You should also be aware that, as a supervisory employee, you will be prohibited by section 602(a) of the Department of Energy (DOE) Organization Act (Pub. L. No. 95-91) from knowingly receiving compensation from, holding any official relation with, or having any pecuniary interest in any energy concern.

Further, section 208, title 18, United States Code, prohibits you from participating personally and substantially, as a Government employee, in any particular matter in which, to your knowledge, you have or your spouse, minor child, partner, organization in which you are serving as officer, director, trustee, partner, or employee, or any person or organization with whom you are negotiating or have any arrangement concerning prospective employment has, a financial interest. Accordingly, you should avoid participation in any particular matter the outcome of which could have a direct and predictable effect on any such financial interests.

Please call me if I may be of further assistance.

Ralph D. Goldenberg
Assistant General Counsel
for General Law

Attachment

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[3] In this respect, I note that you have also reported that you are a preferred shareholder in Burlington 44 Company, which has applied for a license before the Federal Communications Commission (FCC) in order to operate a broadcast station in Burlington, Vermont. I understand that you are not an officer of this company, and that you will not serve as attorney, agent or otherwise represent the company before the FCC or other federal agency.

OFFICIAL COMMITTEE FILE
PLEASE RETURN

United States
Office of Government Ethics
P.O. Box 14108
Washington, D.C. 20044

June 27, 1989

ENERGY COMMITTEE
RECEIVED
JUN 7 2 1989

The Honorable J. Bennett Johnston
Chairman
Energy and Natural Resources
  Committee
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by John J. Easton, who has been nominated by President Bush for the position of Assistant Secretary for International Affairs and Energy Emergencies in the Department of Energy.

We have reviewed the report and have also obtained advice from the Department of Energy concerning any possible conflict in light of its functions and the nominee's proposed duties. As noted in Mr. Goldenberg's memorandum (enclosure), Mr. Easton has agreed to several recusals and resignations.

Based thereon, we believe that John J. Easton is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Frank Q. Nebeker
APC
Frank Q. Nebeker
Director

Enclosures

SF 278 (Rev. [illegible])
FPM Chapter 734
U.S. Office of Personnel Management

Financial Disclosure Report

Form Approved
OMB No. 3209-0002

Page 1

Reporting Status *(Check Appropriate Box)*		Agency Use Only	OGE Use Only	Date of Appointment, Candidacy, Election or Nomination *(Mo., Day, Yr.)*	Termination Date *(If Applicable)* *(Month, Day, Year)*
☐ Incumbent	☒ New Entrant, Nominee, or Candidate ☐ Termination Filer	JUN 22 1989	JUN 22 1989		
Reporting Individual's Name	Last Name Easton	First Name and Middle Initial John J. Jr.			
Position for Which Filing	Title of Position Assistant Secretary for International Affairs & Energy Emergencies	Department or Agency *(If Applicable)* Department of Energy			
Location of Present Office	Address *(Number, Street, City, State and ZIP Code)* Miller, Eggleston & Rosenberg, Ltd 150 S. Champlain St., Burlington, VT 05401	Telephone No. *(Include Area Code)* (802) 864-0880			
Position(s) Held With the Federal Government During the Preceding 12 Months *(If Not Same as Above)*	Title of Position(s) and Date(s) Held None				
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination Energy & Natural Resources	Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No			
Certification I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Signature of Reporting Individual J J Easton, Jr.	Date *(Month, Day, Year)* April 14, 1989			
Other Review *(If desired by agency)*	Signature of Other Reviewer	Date *(Month, Day, Year)*			
Agency Ethics Official's Opinion The information contained in this report discloses no conflict of interest under applicable laws and regulations.	Signature of Designated Agency Ethics Official/Reviewing Official Roger S. Greenberg	Date *(Month, Day, Year)* 6/22/89			
Office of Government Ethics Use Only	Signature Frank Q. Nebeker	Date *(Month, Day, Year)* 6/27/89			

Comments of Reviewing Officials *(If additional space is required, use the reverse side of this sheet)* PCC

(Check box if comments are continued on the reverse side) ☐

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A (except for BLOCK D), C, and D. (Candidates do not file Part II of Schedule D.

- **Schedule A**—The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I** (Liabilities)—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II** (Agreements and Arrangements)—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

PREVIOUS EDITION USABLE

SF 278 (Rev. [illegible])
FPM Chapter [illegible]
U.S. Office of Personnel Management

Financial Disclosure Report

Form Approved
OMB No. [illegible]

Page 1

Reporting Status (Check Appropriate Box) ☐ Incumbent	☒ New Entrant, Nominee, or Candidate ☐ Termination Filer	Agency Use Only JUN 22 1989	OGE Use Only	Date of Appointment, Candidacy, Election or Nomination (Mo., Day, Yr.)	Termination Date (If Applicable) (Month, Day, Year)
Reporting Individual's Name	Last Name Easton	First Name and Middle Initial John J. Jr.			
Position for Which Filing	Title of Position Assistant Secretary for International Affairs & Energy Emergencies	Department or Agency (If Applicable) Department of Energy			
Location of Present Office	Address (Number, Street, City, State and ZIP Code) Miller, Eggleston & Rosenberg, Ltd 150 S. Champlain St., Burlington, VT 05401	Telephone No. (Include Area Code) (802) 864-0880			
Position(s) Held With the Federal Government During the Preceding 12 Months *(If Not Same as Above)*	Title of Position(s) and Date(s) Held None				
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination Energy & Natural Resources	Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No			
Certification I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Signature of Reporting Individual JJ Easton, Jr	Date (Month, Day, Year) April 14, 1989			
Other Review *(If desired by agency)*	Signature of Other Reviewer	Date (Month, Day, Year)			
Agency Ethics Official's Opinion The information contained in this report discloses no conflict of interest under applicable laws and regulations.	Signature of Designated Agency Ethics Official/Reviewing Official	Date (Month, Day, Year) 6/22/89			
Office of Government Ethics Use Only	Signature	Date (Month, Day, Year)			

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A (except for BLOCK D), C, and D. (Candidates do not file Part II of Schedule D.

- **Schedule A**—The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I (Liabilities)**—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II (Agreements and Arrangements)**—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Comments of Reviewing Officials *(If additional space is required, use the reverse side of this sheet)*

(Check box if comments are continued on the reverse side) ☐

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278-110

SF 278 (Rev. 1/87)
5 CFR Chapter 734
U.S. Office of Personnel Management

JUN 22 1989

Reporting Individual's Name	Assets and Income	Page Number	Schedule
John J. Easton, Jr.		1	A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000? ▼

	BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets							BLOCK C Income																	BLOCK D Transactions Test	
	Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	Category of Value (X)							Type of Income (X)							Category of Amount of Income (X)										If yes, complete Sched. B Part I for those assets including those sold for a loss.	
S or DC		None (or less than $1001)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES	NO
Example:	XYZ Common				X				X									X						—		X	
	Doe Jones & Smith, Hometown, USA			X											ptnrshp income									$50,000			
1	Miller, Eggleston & Rosenberg terminated employment Ltd., Burlington, VT (of counsel) 4/14/89														salary							X		$3700 - received 6/5/89 53,586			
2	Partridge Hill Associate, Inc. Stowe, VT (commercial - residential real			X					X		X				distribution			X						26,486			
3	John J. Easton, Jr. Apartment 6-22-89 Stowe, VT				X					X									X								
4	Chittenden Trust Co. 6-22-89 Burlington, VT (checking acct)				X						X						X										
5	NEL Cash Management Trust Boston, MA (money market acct - widely diversified)				X				X									X									
6	Dean Witter Reynolds, Inc. New York, NY (sold 4/89)				X				X								X										
7	NEL Growth Fund Boston, MA		X													X											
8	NEL Pension Properties V commercial Boston, MA (limited partnership - real estate)			X												X											
9	Copley Pension Properties VII commercial real estate) Boston, MA (limited partnership -		X													X											
10	Burlington 44 Company Burlington, VT preferred stock			X												X											

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SF 278 (Rev. 1/89)
FPM Chapter 734
U.S. Office of Personnel Management

JUN 22 1989

Reporting Individual's Name			
John J. Easton, Jr.	**Assets and Income**	Page Number 2	Schedule A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

S or DC		BLOCK A Assets & Income Sources Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	BLOCK B Valuation of Assets — Category of Value (X): None (or less than $1001)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	BLOCK C Income — Type of Income (X): Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	Category of Amount of Income (X): None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	BLOCK D Transactions Test — If yes, complete Schd. B Part I for those assets including those sold for a loss. YES	NO
	Examples:	X Y Z Common				x				x									x						—		x	
		Doe Jones & Smith, Hometown, USA			x											ptnrshp income									$50,000			
11	1	Aetna Life Insurance Hartford, CT (Aetna Variable Fund and Single Deposit Investment Account - both wholly surrendered [illegible] 6-22-89				X											X											
12	2	State of Vermont														tax refund									692			
	3	Promissory Note: Burlington [illegible]			X												X											
	4																											
	5																											
	6																											
	7																											
	8																											
	9																											
	10																											

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FPM Chapter 734
U.S. Office of Personnel Management

JUN 22 1989
OMB No. [illegible]

Reporting Individual's Name
John J. Easton, Jr.

Page Number	3	Schedule B

Part I
Transactions

Incumbents and Termination Filers only: Report any purchase, sale or exchange by you, your spouse or dependent child during the reporting period of any real property, stocks, bonds, commodities futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse or your dependent child.

NONE ☐

S or DC		Identification of Assets	Type of Transaction (X)				Amount of Transaction (X)					
			Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000
	Example:	X Y Z Common	X			2/1/83			X			
1		N/A										
2												
3												
4												
5												
6												

Part II
Gifts, Reimbursements and Travel Expenses

Incumbents and Termination Filers only:
Report the source, a brief description and the value of: (1) in-kind gifts of transportation, lodging, food or entertainment received from one source totaling $250 or more unless received as personal hospitality at the donor's personal or family residence; (2) other gifts received from one source totaling $100 or more in value; and (3) cash reimbursements of $250 or more received from one source. Exclude gifts and reimbursements received by your spouse that were given totally independent of their relationship to you. Exclude transportation, lodging, food and reimbursements from the U.S. Government. For (1) and (2), exclude gifts from relatives and exclude gifts of $35 or less when aggregating them for the total from one source. See instructions for further exclusions.

NONE ☐

S		Source (Name and Address)	Brief Description	Value
	Example:	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/83	$500
		Nat'l Assn. of Rock Collectors, NY, NY	Leather briefcase for retiring president	$125
1		N/A		
2				
3				
4				
5				
6				

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278 (Rev. 1/87)
5 CFR Chapter 34
U.S. Office of Personnel Management

JUN 22 1989

Reporting Individual's Name
John J. Easton, Jr.

Page Number	4	Schedule C

art I
iabilities

ll Filers: Report liabilities over $10,000 owed to any one reditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to relatives. See instructions for revolving charge accounts.

NONE ☐

S or DC	Creditor (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	$10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
						Category of Amount or Value (X)				
Examples:	First District Bank, Washington, DC	Mortgage on rental property, Rehoboth Beach, Delaware	1981	13%	25 yrs.			X		
	John Jones, 123 J St., Washington, DC	Promissory note	1979	10%	on demand	X				
1	Franklin Lamoille Bank, St. Albans, VT	Mortgage on home & rental apartment	1978	9 3/4	25Yrs			X		
2	Julia C. Easton, Augusta, GA	2d Mortgage on home & apartment	1987	10	demand		X			
3										
4										
5										
6										

art II
greements Or Arrangements

ll Filers: Report your agreements or arrangements for uture employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

NONE ☐

Status and Terms of any Agreement or Arrangement	Parties	Date (Mo., Yr.)
Example: Pursuant to partnership agreement, will receive capital account & partnership share calculated on service performed through 11/83	Doe Jones & Smith, Home town, USA	7/78 partnership agmnt.
I expect to receive compensation which I earned but was not yet billed to or paid by	Miller, Eggleston & Rosenberg, Ltd.	
clients. This will be less than $5,000. received $3700 on 6/5/89 mg 6-22-89	Burlington, VT	

[illegible]
4 Chapter [illegible]
Office of Personnel Management

JUN 22 1989

eporting Individual's Name	ohn J. Easton, Jr.

Page Number	5	Schedule D

art I
ositions Held Outside U.S. Government

l Filers: Report any positions held during the applicable porting period. Positions include but are not limited to se of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE ☐

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
xamples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/82	6/83
	Doe Jones & Smith, Hometown, USA	Law firm	Partner	7/76	11/83
	General Eastern Ski Insurance Risk Retention Group, Inc. Shawnee, PA	Captive Insurance Company	Director (resigned as 6-22-89)	/88	4/89
	artridge Hill Associates,Inc., Stowe, VT	Corporation	Shareholder	/83	Pres
	urlington 44 Company, Burlington, VT	Corporation	Preferred Shareholder	2/88	Pres
	opley Health Systems, Inc. Morrisville, VT	Health Care Holding Company	Trustee (resigned as 6-22-89)	/83	4/89
	opley Hospital, Inc. Morrisville, VT	Non-Profit Hosptial	Trustee (resigned as 6-22-89)	/83	4/89
	reen Mountain Council, Boy Scouts of America aterbury, VT	Non-Profit	Executive Board Member (resigned as 6-22-89)	/88	4/89

art II
ompensation In Excess Of $5000
aid by One Source

ominees and New Entrants only: Report sources of such mpensation received by you or your business affiliation for rvices directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE ☐

	Source (Name and Address)	Brief Description of Duties
xamples:	Doe Jones & Smith, Hometown, USA	Legal services
	Metro University (client of Doe Jones & Smith) Hometown, USA	Legal services in connection with university construction
	iller, Eggleston & Rosenberg, Ltd. Burlington, VT	Legal Services
	reen Mountain Power Corp. (Client of M.E. & R)	Legislative Representation
	reen Mountain Meats, Inc. (Client of M. E. & R)	Purchase of business from other shareholders
	Kutak Rock & Campbell (co-counsel) (thru M.E.&R)	Served as underwriter's counsel on bond closing at Rutland Hospital

SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

JUN 22

Form Approved
OMB No. 3209-0001

Page Number	6	Schedule D

Reporting Individual's Name

John J. Easton, Jr.

Part I
Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting period. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE ☐

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/82	6/85
	Doe Jones & Smith, Hometown, USA	Law firm	Partner	7/78	11/83
	Vermont Mozart Festival, Burlington, VT	Non-profit	Trustee	11/87	4/89
	Lake Champlain Regional Chamber of Commerce, Burlington, VT	Non-profit	Committee Chair	6/87	4/89
	Northeast Family Institute - Vermont, Burlington, VT	Non-profit	Advisory Board Member	11/88	4/89
	US Olympic Committee	Non-profit	State Chairman	7/87	Pres

6-22-89

Part II
Compensation In Excess Of $5000
Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE ☐

	Source (Name and Address)	Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, USA	Legal services
	Metro University (client of Doe Jones & Smith) Hometown, USA	Legal services in connection with university construction

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UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Brown (LAST) Jacqueline (FIRST) Knox (OTHER)

Position to which nominated: Assistant Secretary of Congressional & Intergovernmental Affairs

Date of nomination: April 14, 1989

Date of birth: 20 (DAY) 11 (MONTH) 52 (YEAR)

Place of birth: Washington, D. C.

Marital status: Married

Full name of spouse: Henry M. Brown

Name and ages of children: Danita M. Knox 19

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Howard University	9/73 - 4/83	BA	4/83
George Washington Univ.	1/86 - Pres.	(MBA)	(1991)

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

Senior Policy Analyst, Commission on Executive, Legislative and Judicial Salaries, Washington, D. C. 10/88 - 1/89

Senior Policy Analyst, Presidential Commission on the Human Immunodeficiency Virus Epidemic, Washington, D. C. 10/87 - 10/88

Staff Director, Senate Committee on Labor and Human Resources, Subcommittee on Aging (Minority), Washington, D. C. 11/86 - 10/88

Legislative Assistant, Senator Thad Cochran (R-Miss.) Washington, D. C. 1/79 - 11/86

Research Assistant, House Wednesday Group, U.S. House of Representatives, Washington, D. C. 1975 - 1979

Office Manager, House Wednesday Group, U.S. House of Representatives, Washington, D. C. 1972 - 1975

Employment record—Continued

Military service: Describe any military service not listed above, including dates, rank, and type of discharge.

N/A

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

None

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Dates	Office held (if any)
None		

Published writings:

List the titles, publishers and dates of any books, articles, or reports you have written.

None

Future employment relationships:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

N/A

2. Do you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization?

N/A

3. Has a commitment for employment after you leave government been made to you by anyone? Have you made any such commitment?

N/A

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

N/A

Future employment relationships—Continued

(b) If you have been appointed for an indefinite term, are there any known limitations on your willingness or ability to serve for the foreseeable future?

No

Financial statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

None

3. Are you currently a party to any legal action? If so, describe its nature and status.

No

4. Have you ever declared bankruptcy? If so, describe the circumstances.

No

5. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

Yes

6. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

Yes. In 1983. Resulted in an adjustment to the IRS of approximately $400.

Potential conflicts of interest:

1. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

None

2. Describe any business relationship, dealing or financial transaction (other than taxpaying) that you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, which might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

3. Describe any lobbying activity which you have performed during the past 10 years with respect to legislative or administrative actions at the Federal, State or local level.

None

4. Have you been informed of the conflict of interest laws and regulations applicable to the position to which you have been nominated?

Yes

Potential conflicts of interest—Continued

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to this form and the attachments thereto. Attach a statement of the appropriate agency ethics official explaining the applicable laws or regulations, any potential conflicts, and the action required to resolve such conflicts.

I know of no conflicts with the position for which I have been nominated.

6. Explain how you will resolve any potential conflicts of interest that may arise in the future if you are confirmed for the position for which you have been nominated.

I will consult with appropriate government officials to avoid any potential conflict of interest before they arise or resolve any potential conflict that may arise.

Public disclosure: Do you have any objections to this form and the attachments thereto being made public?

No

District of Columbia) ss

AFFIDAVIT

I, Jacqueline Knox Brown being duly sworn, hereby state that I have read the foregoing Statement for Completion by Presidential Nominees, including all attachments thereto, and that the information provided therein is, to the best of my knowledge and belief, current, accurate, and complete.

Jacqueline Knox Brown
(Signature of Nominee)

Subscribed and sworn to before me this 23rd day of June 1989

Cheryl D. Arrington
Notary Public
My Commission Expires November 14, 1939

Form approved by the Committee February 5, 1985.

U.S. GOVERNMENT PRINTING OFFICE 1987—67-074

OFFICIAL COMMITTEE FILE
PLEASE RETURN

United States
Office of Government Ethics
P.O. Box 14108
Washington, D.C. 20044

JUN 27 1989

ENERGY COMMITTEE
RECEIVED
JUN 27 1989

The Honorable J. Bennett Johnston
Chairman
Committee on Energy and
Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Jacqueline Knox Brown, who has been nominated by President Bush for the position of Assistant Secretary for Congressional, Intergovernmental and Public Affairs, U.S. Department of Energy.

We have reviewed the report and also have obtained advice from the Department of Energy concerning any possible conflict in light of its functions and the nominee's proposed duties. Based thereon, I believe that Ms. Brown is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Frank Q. Nebeker
Frank Q. Nebeker
Director

Enclosure

Reporting Status *(Check Appropriate Box)*

☐ Incumbent ☒ New Entrant, Nominee, or Candidate ☐ Termination Filer

Agency Use Only: JUN 23 1989

OGE Use Only: JUN 26 1989

Date of Appointment, Candidacy, Election or Nomination *(Mo., Day, Yr.)*:

Termination Date *(If Applicable)* *(Month, Day, Year)*:

Reporting Individual's Name
Last Name: Brown
First Name and Middle Initial: Jacqueline Knox

Position for Which Filing
Title of Position: ASSISTANT SECRETARY, CONGRESSIONAL, INTERGOVERNMENTAL AND PUBLIC AFFAIRS
Department or Agency *(If Applicable)*: Department of Energy

Location of Present Office
Address *(Number, Street, City, State and ZIP Code)*: 2229 Ridge Place, S.E. Washington, D. C. 20020
Telephone No. *(Include Area Code)*: (202) 582-5589

Position(s) Held With the Federal Government During the Preceding 12 Months *(If Not Same as Above)*
Title of Position(s) and Date(s) Held:
Senior Policy Analyst- Presidential Commission on HIV
Senior Policy Analyst - Quadrennial Commission

Presidential Nominees Subject to Senate Confirmation
Name of Congressional Committee Considering Nomination: SENATE ENERGY
Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No

Certification
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.
Signature of Reporting Individual: Jacqueline Knox Brown
Jacqueline Knox Brown
Date *(Month, Day, Year)*: 2/3/89

Other Review *(If desired by agency)*
Signature of Other Reviewer:
Date *(Month, Day, Year)*:

Agency Ethics Official's Opinion
The information contained in this report discloses no conflict of interest under applicable laws and regulations.
Signature of Designated Agency Ethics Official/Reviewing Official: Roger S. Greenberg
Date *(Month, Day, Year)*: 6/23/89

Office of Government Ethics Use Only
6-26-89
Signature: Frank Q. Nebeker
Date *(Month, Day, Year)*: 6/27/89

Comments of Reviewing Officials *(If additional space is required, use the reverse side of this sheet)*

(Check box if comments are continued on the reverse side) ☐

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A (except for BLOCK D), C, and D. (Candidates do not file Part II of Schedule D.

- **Schedule A**—The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I** (Liabilities)—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II** (Agreements and Arrangements)—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

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U.S. Office of Personnel Management

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Page 1

Reporting Status (Check Appropriate Box)			Agency Use Only	OGE Use Only	Date of Appointment, Candidacy, Election or Nomination (Mo., Day, Yr.)	Termination Date (If Applicable) (Month, Day, Year)
☐ Incumbent	☒ New Entrant, Nominee, or Candidate	☐ Termination Filer	JUN 23 1989			
Reporting Individual's Name	Last Name Brown		First Name and Middle Initial Jacqueline Knox			
Position for Which Filing	Title of Position ASSISTANT SECRETARY, CONGRESSIONAL, INTERGOVERNMENTAL AND PUBLIC AFFAIRS		Department or Agency (If Applicable) Department of Energy			
Location of Present Office	Address (Number, Street, City, State and ZIP Code) 2229 Ridge Place, S.E. Washington, D. C. 20020		Telephone No. (Include Area Code) (202) 582-5569			
Position(s) Held With the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held Senior Policy Analyst- Presidential Commission on HIV Senior Policy Analyst - Quadrennial Commission					
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination SENATE ENERGY		Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No			
Certification I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Signature of Reporting Individual Jacqueline Knox Brown		Date (Month, Day, Year) 2/3/89			
Other Review (If desired by agency)	Signature of Other Reviewer		Date (Month, Day, Year)			
Agency Ethics Official's Opinion – The information contained in this report discloses no conflict of interest under applicable laws and regulations.	Signature of Designated Agency Ethics Official/Reviewing Official		Date (Month, Day, Year) 6/23/89			
Office of Government Ethics Use Only	Signature		Date (Month, Day, Year)			

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A (except for BLOCK D), C, and D. (Candidates do not file Part II of Schedule D.

- **Schedule A**—The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I** (Liabilities)—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II** (Agreements and Arrangements)—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)

(Check box if comments are continued on the reverse side) ☐

PREVIOUS EDITION USABLE

SF-278

NSN 7540-01-070-0444

SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

JUN 23 1988

Form Approved
OMB No. 3209-0002

Reporting Individual's Name				
Jacqueline Knox Brown	**Assets and Income**	Page Number	2	Schedule A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

	BLOCK A Assets & Income Sources		BLOCK B Valuation of Assets							BLOCK C Income																		BLOCK D Transactions Test	
	Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐		Category of Value (X)							Type of Income (X)							Category of Amount of Income (X)											If yes, complete Schd. B Part I for those assets including those sold for a loss.	
S or DC			None (or less than $1001)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES	NO
	Example:	X Y Z Common				x				x									x						--			
		Doe Jones & Smith, Hometown, USA			x											ptnrshp income									$50,000	-	x	
1		~~None~~																										
2		page 2A substituted for this page [illegible] 6/30/89																										
3																												
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PREVIOUS EDITION USABLE

278-010

SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0002

Reporting Individual's Name		Page Number	Schedule
Jacqueline Knox Brown	**Assets and Income**	2A	A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000? ▼

		BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets							BLOCK C Income																	BLOCK D Transactions Test	
		Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	Category of Value (X)							Type of Income (X)						Other (Specify Type)	Category of Amount of Income (X)								Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	If yes, complete Sched. B Part I for these assets including those sold for a loss.	
S or DC			None (or less than $1001)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust		None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000			YES	NO
	Example:	X Y Z Common				X				X									X						—		X	
		Doe Jones & Smith, Hometown, USA			X											ptnrshp income									$30,000			
	1																											
S	2	ABC News Inc.														Salary												
S	3	ABC-NABET Retirement Trust Fund (defined benefit plan) *						X								Pension	X											
S	4	ABC Savings & Investment Plan (Mutual-Guaranteed Income Fund, widely-diversified)				X						X						X										
	5																											
	6																											
	7																											
	8	* Information regarding trust																										
	9	fund assets are not available and are unknown to Ms Brown at this time; information is																										
	10	being obtained. 6/30/89																										

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SF 278 (Rev. 1/87)
5 CFR Chapter XIV
U.S. Office of Personnel Management

JUN 23 1989
Form Approved
OMB No. 3209-0001

Reporting Individual's Name

Jacqueline Knox Brown

Page Number	3	Schedule B	

Part I
Transactions

Incumbents and Termination Filers only: Report any purchase, sale or exchange by you, your spouse or dependent child during the reporting period of any real property, stocks, bonds, commodities futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse or your dependent child.

NONE ☒

S or DC		Identification of Assets	Type of Transaction (X)				Amount of Transaction (X)					
			Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000
	Example	XYZ Common	X			2/1/83			X			
1												
2												
3												
4												
5												
6												

Part II
Gifts, Reimbursements and Travel Expenses

Incumbents and Termination Filers only:
Report the source, a brief description and the value of: (1) in-kind gifts of transportation, lodging, food or entertainment received from one source totaling $250 or more unless received as personal hospitality at the donor's personal or family residence; (2) other gifts received from one source totaling $100 or more in value; and (3) cash reimbursements of $250 or more received from one source. Exclude gifts and reimbursements received by your spouse that were given totally independent of their relationship to you. Exclude transportation, lodging, food and reimbursements from the U.S. Government. For (1) and (2), exclude gifts from relatives and exclude gifts of $35 or less when aggregating them for the total from one source. See instructions for further exclusions.

NONE ☒

S		Source (Name and Address)	Brief Description	Value
	Example	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/83	$500
	Example	Nat'l Assn. of Rock Collectors, NY, NY	Leather briefcase for retiring president	$125
1				
2				
3				
4				
5				
6				

PREVIOUS EDITION USABLE

SF 278 (Rev. [illegible])
FPM Chapter [illegible]
U.S. Office of Personnel Management

JUN 23 1989

Form Approved
OMB No. [illegible]

Reporting Individual's Name	Jacqueline Knox Brown

Page Number	4	Schedule C

Part I
Liabilities

All Filers: Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to relatives. See instructions for revolving charge accounts.

NONE ☒

		Creditor (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (X)				
							$10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
S or DC	Example:	First District Bank, Washington, DC	Mortgage on rental property, Rehoboth Beach, Delaware	1981	13%	25 yrs.			X		
		John Jones, 123 J St., Washington, DC	Promissory note	1978	10%	on demand	X				
1											
2											
3											
4											
5											
6											

Part II
Agreements Or Arrangements

All Filers: Report your agreements or arrangements for future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

NONE ☒

Status and Terms of any Agreement or Arrangement		Parties	Date (Mo., Yr.)
Example:	Pursuant to partnership agreement, will receive capital account & partnership share calculated on service performed through 11/83	Doe Jones & Smith, Hometown, USA	7/78 ptnership agmt.

SF 278 [illegible]
5 CFR Chapter [illegible]
U.S. Office of Personnel Management

Form Approved
OMB No. [illegible]

Reporting Individual's Name	Jacqueline Knox Brown

Page Number	Schedule
5	D

Part I
Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting period. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE ☒

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/82	6/83
	Doe Jones & Smith, Hometown, USA	Law firm	Partner	7/78	11/83
		"			

Part II
Compensation In Excess Of $5000
Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE ☒

	Source (Name and Address)	Brief Description of Duties
Examples	Doe Jones & Smith, Hometown, USA	Legal services
	Metro University (client of Doe Jones & Smith) Hometown, USA	Legal services in connection with university construction

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United States Government **Department of Energy**

memorandum

DATE JUN 23 1989

REPLY TO ATTN OF: GC-43

SUBJECT: Statement of Agency Ethics Official for Senate Committee

TO: Jacqueline Knox Brown

This memorandum is intended to serve as a statement from the designated agency ethics official for this Department, as required by the Statement for Completion by Presidential Nominees that you are submitting to the United States Senate Committee on Energy and Natural Resources in connection with your nomination to the position of Assistant Secretary for Congressional, Intergovernmental and Public Affairs. I have reviewed your Standard Form 278 (Financial Disclosure Report) dated February 3, 1989, and your Form DOE-460 (Report on Prior Employment) dated February 9, 1989, and have certified that the information contained therein discloses no conflict of interest under applicable laws and regulation.[1]

As a supervisory employee of the Department, you are prohibited by section 602(a) of the Department of Energy (DOE) Organization Act (Pub. L. No. 95-91) from knowingly receiving compensation from, holding any official relation with, or having any pecuniary interest in any energy concern. The term "energy concern" is defined in section 601(b) of the Act as any entity "significantly engaged in the business" of any of a variety of activities related to energy production, distribution, sale, or research and development, or any entity significantly engaged in such research and development pursuant to a DOE-funded program irrespective of whether it otherwise engages in such business. The term also includes any entity holding an interest in property from which an energy resource is commercially produced or obtained.

Further, section 208, title 18, United States Code, prohibits you from participating personally and substantially, as a Government employee, in any particular matter in which, to your knowledge, you have or your spouse, minor child, partner, organization in which you are serving as officer, director, trustee, partner, or employee, or any person or organization with whom you are negotiating or have any arrangement concerning prospective employment has, a financial interest. Accordingly, you should avoid participation in any particular matter the outcome of which could have a direct and predictable effect on any such financial interests.

---

[1] Section 201(b) of the Ethics in Government Act (Pub. L. No. 95-521) requires the income and honoraria information on your form to be updated within five days before the date of the Committee hearing to consider your nomination.

Please call me if I may be of further assistance.

Ralph D. Goldenberg
Assistant General Counsel
for General Law

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: SNYDER (LAST) HARRY (FIRST) MARTIN (OTHER)

Position to which nominated: DIRECTOR, OFFICE OF SURFACE MINING

Date of nomination:

Date of birth: 22 (DAY) 10 (MONTH) 41 (YEAR)

Place of birth: CORBIN, KENTUCKY

Marital status: DIVORCED

Full name of spouse: —

Name and ages of children: PAIGE - 21
BLAKE - 17

Education:

Institution	Dates attended	Degrees received	Dates of degrees
GEORGETOWN COLLEGE	59 - 63	B.S.	1963
UNIV.KY. LAW SCHOOL	63 - 66	J.D.	1966

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

7-86/7-89 - VICE PRESIDENT, STATE RELATIONS, CSX CORP.; LEXINGTON, KENTUCKY

1-73/6-86 - EXECUTIVE DIRECTOR, KY COUNCIL ON HIGHER EDUCATION; FRANKFORT, KENTUCKY

6-68/1-73 - ASSOCIATE DIRECTOR, BUDGET OFFICE, UNIVERSITY OF KENTUCKY; LEXINGTON, KENTUCKY

8-66/6-68 - ADJUNCT PROFESSOR, GEORGETOWN COLLEGE; GEORGETOWN, KENTUCKY

Employment record—Continued

Military service: Describe any military service not listed above, including dates, rank, and type of discharge.

10/65 - 10/69 - USAR (ENLISTED) HONORABLE

10/69 - 5/73 - USAR (OFFICER) CPT.

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

DOCTOR OF LAWS (HONORARY) GEORGETOWN COLLEGE, GEORGETOWN, KENTUCKY, 1984

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Dates	Office held (if any)
KY CHAMBER OF COMMERCE	7/87 - 7/89	
KENTUCKY AUTHORITY FOR EDUCATIONAL TELEVISION	11/85 - PRESENT	
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY	4/88 - PRESENT	
KENTUCKY BAR ASSOCIATION	9/66 - PRESENT	

Published writings: List the titles, publishers and dates of any books, articles, or reports you have written.

Future employment relationships:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

YES

2. Do you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization?

NO

3. Has a commitment for employment after you leave government been made to you by anyone? Have you made any such commitment?

NO

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

YES

Future employment relationships—Continued

(b) If you have been appointed for an indefinite term, are there any known limitations on your willingness or ability to serve for the foreseeable future?

NO

Financial statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

TEACHERS INSURANCE AND ANNUITY ASSOCIATION, INC.,NEW YORK, NY

$1,200.00 PER MONTH - ANNUITY PAYMENTS FROM PENSION PLAN

MEMBERSHIP - 1974-1986.

3. Are you currently a party to any legal action? If so, describe its nature and status.

NO

4. Have you ever declared bankruptcy? If so, describe the circumstances.

NO

5. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

YES, 1988 RETURNS BEING PREPARED AUTOMATIC EXTENSION

TO AUGUST '89.

6. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

NO

Potential conflicts of interest:

1. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

NONE

2. Describe any business relationship, dealing or financial transaction (other than taxpaying) that you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, which might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

NONE

3. Describe any lobbying activity which you have performed during the past 10 years with respect to legislative or administrative actions at the Federal, State or local level.

TESTIMONY BEFORE HOUSE EDUCATION AND LABOR COMMITTEE,

1983, ON RE-AUTHORIZATION OF HIGHER EDUCATION ACT.

4. Have you been informed of the conflict of interest laws and regulations applicable to the position to which you have been nominated?

YES

Potential conflicts of interest—Continued

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to this form and the attachments thereto. Attach a statement of the appropriate agency ethics official explaining the applicable laws or regulations, any potential conflicts, and the action required to resolve such conflicts.

RESOLUTION, IF NECESSARY, WILL BE BASED ON ADVICE FROM DEPT. OF INTERIOR ETHICS OFFICIAL.

6. Explain how you will resolve any potential conflicts of interest that may arise in the future if you are confirmed for the position for which you have been nominated.

I WOULD REPORT ANY SUCH SITUATION TO AND SEEK ADVICE OF THE DEPT. OF INTERIOR DESIGNATED ETHICS OFFICIAL.

Public disclosure: Do you have any objections to this form and the attachments thereto being made public?

NO

AFFIDAVIT

) ss

I, DEBRA W. CAUDILL, being duly sworn, hereby state that I have read the foregoing Statement for Completion by Presidential Nominees, including all attachments thereto, and that the information provided therein is, to the best of my knowledge and belief, current, accurate, and complete.

(Signature of Nominee)

Subscribed and sworn to before me this 3RD day of JULY, 1989

Debbie W. Caudill

Notary Public, KENTUCKY, STATE AT LARGE

MY COMMISSION EXPIRES: APRIL 14, 1993

Form approved by the Committee February 5, 1985.

U.S. GOVERNMENT PRINTING OFFICE: 1987—87-074

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUL 12 1989

The Honorable J. Bennett Johnston
Chairman, Committee on Energy and Natural Resources
United States Senate
Washington D.C. 20510

Dear Mr. Chairman:

Pursuant to Section 201(b) of the Ethics in Government Act of 1978, as amended, I hereby certify that the information below will update my Financial Disclosure Report (SF-278) dated June 6, 1989 with respect to outside earned income and honoraria.

Please be advised that since my June 6, 1989 Financial Disclosure Report, I have received $6,667 from CSX Corporation as salary for the period from June 6 through the date of my resignation whitch was June 30, 1989. In addition, I have received $2,664 from CSX Corporation for consulting fees from July 1, to July 12, 1989.

I further certify that I have transmitted copies of this report to the Designated Agency Ethics Official of the Department of the Interior and to the Office of Government Ethics.

Harry M. Snyder

Harry M. Snyder

Washington) ss
District of Columbia)

Subscribed and sworn before me on this 12th day of July, 1989.

Kathleen O. St. Pierre
Notary Public

My commission expires: April 14, 1994

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Honorable Frank Q. Nebeker
Director, Office of Government Ethics
Office of Personnel Management
P.O. Box 14108
Washington D.C. 20044

Dear Judge Nebeker:

This letter will document the actions I intend to take to prevent any actual or apparent conflict of interest under the statutes and regulations that will apply to me as Director, Office of Surface Mining Reclamation & Enforcement (OSMRE), U.S. Department of the Interior.

Upon confirmation as Director, OSMRE, I will recuse myself from all official matters that come before me that involve the Authority for Educational Television or the Kentucky Higher Education Assistance authority. I will also notify the appropriate officials of these two organizations that I must decline all honoraria for the period of time that I serve as Director, OSMRE.

I will also resign my Director position with the Waterfront Development Corporation and my Director position with the Kentucky Chamber of Commerce.

As a precaution and to prevent any potential appearance of impropriety, I will recuse myself for one year from becoming involved in official matters that involve my former employer, CSX Corporation. This recusal will not extend to rulemaking, legislation or the formulation of general policy matters.

I have been advised by the Department of the Interior Deputy Agency Ethics and Audit Coordination Official that all of the other financial interests reported on my Financial Disclosure Report are in full compliance with the statutes and regulations that will be applicable to me as Director, OSMRE.

Thank you,

Sincerely,

Harry M. Snyder

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUL 12

Honorable Frank Q. Nebeker
Director, Office of Government Ethics
Office of Personnel Management
P.O. Box 14108
Washington D.C. 20044

Dear Judge Nebeker:

As required by 5 CFR 734.604(d), I hereby submit a true copy of my amendment and certification to the Senate Committee on Energy and Natural Resources. The amendment makes current, as of this date, the information contained in my Financial Disclosure Report (SF-278) dated June 6, 1989 with respect to outside earned income and honoraria as required by Section 202(a)(1)(A) of the Ethics in Government Act of 1978, as amended.

Thank you.

Sincerely,

Harry M. Snyder

Enclosure

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUL 12 1989

Honorable Frank Q. Nebeker
Director, Office of Government Ethics
Office of Personnel Management
P.O. Box 14108
Washington D.C. 20044

Dear Judge Nebeker:

The enclosed financial disclosure report filed by Harry M. Snyder for the position of Director, Office of Surface Mining Reclamation & Enforcement, has been reviewed in compliance with 5 CFR 734.604(a). In addition to the standard conflict of interest prohibitions contained in 18 U.S.C. 201 - 209 and Executive Order 12674, the Director, Office of Surface Mining Reclamation & Enforcement is also subject to five statutory prohibitions that apply to employees in our Department. These statutory prohibitions are: 18 U.S.C. 437; 30 U.S.C. 6; 30 U.S.C. 1211(f); 43 U.S.C. 11 and 43 U.S.C. 31(a). Except for 30 U.S.C. 1211(f), the provisions of each of these statutes are extended to the Director, Office of Surface Mining Reclamation & Enforcement by Department of the Interior regulations in 43 CFR Part 20.735.

Mr. Snyder's resignation from CSX Corporation was effective on June 30, 1989. At that time Mr. Snyder will be compensated for all unused vacation and compensatory time which he earned and accrued. CSX administrative records indicate that this compensation will be equivalent to two months of Mr. Snyder's regular salary. Mr. Snyder will also receive from CSX Corporation a performance award of $7,500 as a result of his prior work with the Kentucky Legislature and Kentucky State Government. It is the policy of CSX Corporation to provide such compensatory and performance payments appropriately to all employees leaving the company.

To prevent any actual or apparent conflict of interest, Mr. Snyder, upon confirmation as Director, Office of Surface Mining Reclamation & Enforcement (OSMRE), will recuse himself for one year from becoming involved in official matters that involve his former employer, CSX Corporation. Mr. Snyder's recusal action will not extend to rulemaking, legislation or the formulation of general policy matters.

Mr. Snyder receives monthly pension payments from the Teachers Insurance & Annuity Association, New York, NY. These pension payments are the result of Mr. Snyder's participation in a funded retirement program when he was employed by the University of Kentucky (1968-1972) and the Kentucky Council on Higher Education (1972-1986). The plan issuing pension payments to Mr. Snyder is considered a defined contribution pension plan since the University of Kentucky and the Kentucky Council on Higher Education no longer make contributions to the plan on behalf of Mr. Snyder.

Mr. Snyder holds two promissory notes; one from First Security Bank, Lexington, KY., and the other from Cumberland Valley Bank, London, KY. These loans were taken out for personal reasons.

Mr. Snyder will continue his position as Director of the Kentucky Authority for Educational Television; as Director of the Kentucky Higher Education Assistance Authority; and as a member of the University of Kentucky Law School Visiting Committee. To prevent any actual or apparent conflict of interest, Mr. Snyder, upon confirmation as Director, OSMRE, will recuse himself from all particular matters dealing with the Kentucky Authority for Educational Television and the Kentucky Higher Education Assistance authority.

Mr. Snyder receives honoraria of $45 and $60 from the Kentucky Authority for Educational Television and the Kentucky Higher Education Assistance Authority respectively for attending each of their meetings. Upon confirmation as Director, OSMRE, Mr. Snyder has agreed to contact the appropriate officials of these two organizations to advise them that he must decline all honoraria while he is serving as Director, OSMRE. Mr. Snyder receives no honoraria or payment for his involvement with the Kentucky Law School Visiting Committee.

Upon confirmation as Director, OSMRE, Mr. Snyder will also resign his Director position with the Waterfront Development Corporation and his Director position with the Kentucky Chamber of Commerce.

Based on our review of the information provided, I have determined and certified that Mr. Snyder is in compliance with the ethics statutes and regulations that apply to the position of Director, OSMRE. Should you have any questions concerning the financial disclosure report submitted by Mr. Snyder, please call Gabriele J. Paone or Mason Tsai on 343-5916.

Thank you.

Sincerely,

Charles E. Kay

Charles E. Kay
Principal Deputy Assistant Secretary - Policy, Budget & Administration and Designated Agency Ethics Official

Enclosure

Public Service · Public Trust

United States
Office of Government Ethics
P O Box 14108
Washington, D.C. 20044

JUL 14 1989

The Honorable J. Bennett Johnston
Chairman
Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Mr. Harry M. Snyder, who has been nominated by President Bush for the position of Director, Office of Surface Mining Reclamation and Enforcement, Department of the Interior.

We have reviewed the report and have also obtained advice from the Department of the Interior concerning any possible conflict in light of its functions and the nominee's proposed duties. The report is supplemented by the enclosed letter from the Designated Agency Ethics Official at the Department of the Interior dated July 12, 1989. Mr. Snyder has agreed in the enclosed letter which is attached to his report dated July 12, 1989 to take the steps necessary to ensure that no apparent or real conflicts arise. Upon confirmation, Mr. Snyder will resign from his positions with the Waterfront Development Corporation and the Kentucky Chamber of Commerce. Mr. Snyder resigned effective June 30, 1989 from his former employer CSX Corporation and has divested of all of his stock in CSX. In addition, to avoid even the appearance of a conflict, Mr. Snyder will recuse himself for one year from becoming involved in particular matters that may involve CSX Corporation with the exception of rulemaking, legislation or the formulation of general policy for the Department.

Subject to the fulfillment of these commitments, we believe that Mr. Snyder will be in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Frank Q. Nebeker
Director

Enclosures: As Stated

SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

Financial Disclosure Report

Form Approved
OMB No. 3209-0088

Page 1

Reporting Status *(Check Appropriate Box)*

☐ Incumbent ☒ New Entrant, Nominee, or Candidate ☐ Termination Filer

Agency Use Only

OGE Use Only

DEPT. OF THE INTERIOR
JUL 12 1989
ETHICS OFFICE

JUL 1

Date of Appointment, Candidacy, Election or Nomination *(Mo., Day, Yr.)*

Termination Date *(If Applicable)* *(Month, Day, Year)*

Reporting Individual's Name
Last Name: Snyder
First Name and Middle Initial: Harry M.

Position for Which Filing
Title of Position: Director-Office of Surface Mining,Reclamation,Enforcement
Department or Agency *(If Applicable)*: Interior

Location of Present Office
Address *(Number, Street, City, State and ZIP Code)*: 444 East Main Street
Lexington, KY 40507
Telephone No. *(Include Area Code)*: 606-252-4111

Position(s) Held With the Federal Government During the Preceding 12 Months *(If Not Same as Above)*
Title of Position(s) and Date(s) Held: None

Presidential Nominees Subject to Senate Confirmation
Name of Congressional Committee Considering Nomination: Energy& Natural Resources
Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No

Certification
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.
Signature of Reporting Individual: Harry M. Snyder
Date *(Month, Day, Year)*: June 6, 1989

Other Review (If desired by agency)
Signature of Other Reviewer: Gabriele J. Paone
Gabriele J. Paone
Deputy Agency Ethics Official
Date *(Month, Day, Year)*: 12 JUL 1989

Agency Ethics Official's Opinion
The information contained in this report discloses no conflict of interest under applicable laws and regulations.
Signature of Designated Agency Ethics Official/Reviewing Official: Charles E. Kay
Date *(Month, Day, Year)*: July 12, 1989

Office of Government Ethics Use Only
Signature: Frank Q. Nebeker
Date *(Month, Day, Year)*: 7-14-89

Comments of Reviewing Officials *(If additional space is required, use the reverse side of this sheet)*

(Check box if comments are continued on the reverse side) ☐

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JUL 4 198

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A (except for BLOCK D), C, and D. (Candidates do not file Part II of Schedule D.

- **Schedule A**—The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I** (Liabilities)—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II** (Agreements and Arrangements)—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

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NSN 7540-01-070-8444

SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

Financial Disclosure Report

Form Approved
OMB No. 3209-0002

Page 1

Reporting Status (Check Appropriate Box)

☐ Incumbent ☒ New Entrant, Nominee, or Candidate ☐ Termination Filer

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JUL 12 1989
ETHICS OFFICE

Date of Appointment, Candidacy, Election or Nomination (Mo., Day, Yr.)

Termination Date (If Applicable) (Month, Day, Year)

Reporting Individual's Name
Last Name: Snyder
First Name and Middle Initial: Harry M.

Position for Which Filing
Title of Position: Director-Office of Surface Mining, Reclamation, Enforcement
Department or Agency (If Applicable): Interior

Location of Present Office
Address (Number, Street, City, State and ZIP Code): 444 East Main Street
Lexington, KY 40507
Telephone No. (Include Area Code): 606-252-4111

Position(s) Held With the Federal Government During the Preceding 12 Months (If Not Same as Above)
Title of Position(s) and Date(s) Held: None

Presidential Nominees Subject to Senate Confirmation
Name of Congressional Committee Considering Nomination: Energy & Natural Resources
Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No

Certification
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.
Signature of Reporting Individual: Harry M Snyder
Date (Month, Day, Year): June 6, 1989

Other Review (If desired by agency)
Signature of Other Reviewer: Gabriele J. Paone
Gabriele J. Paone
Deputy Agency Ethics Official
Date (Month, Day, Year): 12 JUL 1989

Agency Ethics Official's Opinion
The information contained in this report discloses no conflict of interest under applicable laws and regulations.
Signature of Designated Agency Ethics Official/Reviewing Official: Charles E. Kay
Date (Month, Day, Year): July 12, 1989

Office of Government Ethics Use Only
Signature:
Date (Month, Day, Year):

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A (except for BLOCK D), C, and D. (Candidates do not file Part II of Schedule D.

- **Schedule A**—The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I** (Liabilities)—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II** (Agreements and Arrangements)—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)

(Check box if comments are continued on the reverse side) ☐

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FPM Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0002

Reporting Individual's Name			
Harry M. Snyder	**Assets and Income**	Page Number	Schedule A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. **Exclude** your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

	BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets							BLOCK C Income																	BLOCK D Transactions Test	
	Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	Category of Value (X)							Type of Income (X)						Other (Specify Type)	Category of Amount of Income (X)								Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	If yes, complete Schd. B Part I for those assets including those sold for a loss.	
S or DC		None (or less than $1001)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust		None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000			YES	NO
Examples:	X Y Z Common				x				x									x						--		x	
	Doe Jones & Smith, Hometown, USA			x											Ptnrshp income									$50,000			
1	CSX Corporation														Salary									120,000			
2	CSX Corporation														Bonus & increment									36,000			
3	CSX Common Stock														Sale of all shares									2,169			
4	Reading & Bates														Legal Fees									8,000			
5	Teachers Insurance & Annuity Assn.								X						Annuity payment									21,600			
6	1712 Fairway Dr. (house)						X			X										X							
7																											
8																											
9																											
10																											

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SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0002

Reporting Individual's Name

Harry M. Snyder

Page Number		Schedule C

Part I
Liabilities

All Filers: Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to relatives. See instructions for revolving charge accounts.

NONE ☐

S or DC		Creditor (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (X)				
							$10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
	Examples:	First District Bank, Washington, DC	Mortgage on rental property, Rehoboth Beach, Delaware	1981	13%	25 yrs.			X		
		John Jones, 123 J St., Washington, DC	Promissory note	1979	10%	on demand	X				
1		First Security Mortgage Co., Lexington, KY	Mortgage on 1712 Fairway Dr.	1987	11.0	25 yr				X	
2		Citizens Fidelity Bank, Lexington, KY	2nd Mortgage 1712 Fairway Dr.	1988	12.5	20 yr		X			
3		First Security Bank, Lexington, KY	Promissory note	1988	11.0	5 yr		X			
4		Cumberland Valley Bank, London, KY	Promissory note	1988	12.0	5 yr		X			
5											
6											

Part II
Agreements Or Arrangements

All Filers: Report your agreements or arrangements for future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

NONE ☐

	Status and Terms of any Agreement or Arrangement	Parties	Date (Mo., Yr.)
Example:	Pursuant to partnership agreement, will receive capital account & partnership share calculated on service performed through 11/83	Doe Jones & Smith, Hometown, USA	7/75 ptnership agmnt.
	CSX Corporation - severance and unused vacation payment	CSX Corporation, Richmond, VA	
	Annuity Payments from pension plan membership 1974 - 1986	Teachers Insurance & Annuity Assn. New York City, NY	

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278-109

SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0001

Page Number		Schedule D

Reporting Individual's Name
Harry M. Snyder

Part I
Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting period. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. **Exclude** positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE ☐

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/82	6/83
	Doe Jones & Smith, Hometown, USA	Law firm	Partner	7/75	11/83
	Waterfront Development Corp., Louisville, KY	Nonprofit quasi public agency	Director	7/1/88	present
	Kentucky Authority for Educational Television, Lexington, KY	Nonprofit state agency	Director	11/84	present
	Kentucky Higher Education Assistance Authority Frankfort, KY	Nonprofit state agency	Director	3/88	present
	Kentucky Chamber of Commerce, Frankfort, KY	501(c) (6)	Director	7/88	present
	Reading & Bates, Lexington, KY	Mining company	Arbitration Panel Member	6/88	4/89
	University of Kentucky Law School Visiting Committee	Advisory group	Member	11/86	present

Part II
Compensation In Excess Of $5000
Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE ☐

	Source (Name and Address)	Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, USA	Legal services
	Metro University (client of Doe Jones & Smith) Hometown, USA	Legal services in connection with university construction
	Reading & Bates Corporation, Lexington, KY	Legal services as member of arbitration panel

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APPENDIX II

Responses to Additional Questions From the Nominees

Department of Energy
Washington, DC 20585

July 25, 1989

The Honorable J. Bennett Johnston
Chairman
Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Thank you for the opportunity to appear before you and the distinguished members of your Committee on July 18, 1989, for my confirmation hearing for the position of General Counsel.

Enclosed for the record are answers to questions submitted to me in writing. In compliance with your request, included are 18 copies for distribution to the members of the Committee.

Please let me know if I can be of further service.

Sincerely,

Stephen A. Wakefield
Stephen A. Wakefield
General Counsel-Designate

Enclosures

QUESTIONS FROM SENATOR JOHNSTON

Question 1: Have you ever been investigated, arrested, charged or held by any Federal, State or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation, or ordinance other than a minor traffic offense? If so, please explain.

Answer: In 1964, in Austin, Texas, while drinking a beer as a passenger in a private automobile, I was charged by an officer of the Liquor Control Board with drinking in a public place after the midnight curfew.

QUESTIONS FROM SENATOR JOHNSTON

Question 2:	Have you ever been convicted (including a plea of guilty or nolo contendre) of any criminal violation other than a minor traffic offense?
Answer:	I paid a $30 fine in connection with the charge explained in response to Question 1.

QUESTIONS FROM SENATOR JOHNSTON

Question 3: Have you every been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

Answer: No.

QUESTIONS FROM SENATOR JOHNSTON

Question 4: **Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or any entity controlled by a foreign government? If so, please fully describe such relationship.**

Answer: No.

QUESTIONS FROM SENATOR JOHNSTON

Question 5:	If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.
Answer:	Baker & Botts has represented Pemex, the Mexican state-owned oil company, in litigation in the U.S.

QUESTIONS FROM SENATOR JOHNSTON

Question 6: During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

Answer: No.

QUESTIONs FROM SENATOR JOHNSTON

Question 7: Have you or your spouse ever registered under the foreign Agents Registration Act? If so, please furnish details.

Answer: No.

QUESTIONS FROM SENATOR JOHNSTON

Question 8:	Were all your taxes (Federal, State, and local) current (filed and paid) as of the date of your nomination hearing. If not, please explain.
Answer:	Yes.

QUESTIONS FROM SENATOR JOHNSTON

Question 9:	Have all your Federal, State, and local taxes been paid on time? If not, please explain.
Answer:	Yes.

QUESTIONS FROM SENATOR JOHNSTON

Question 10: If confirmed, are there any known limitations on your willingness or ability to serve for your full term or until the next Presidential election, whichever is applicable?

Answer: No.

QUESTIONS FROM SENATOR JOHNSTON

Question 11:	Please advise the Committee of any additional information, favorable or unfavorable, which you think the Committee would want to be aware of in considering your nomination.
Answer:	I believe the Committee has all of the relevant information.

QUESTIONS FROM SENATOR JOHNSTON

Question 12: The Department of Energy's obligation to accept high-level radioactive waste and spent nuclear fuel under the Nuclear Waste Policy Act of 1982, as amended, is stated as follows in section 302(a)(5) of the Act.

> "Contracts entered into under this section provide that--
>
> (A) following commencement of operation of a repository, the Secretary shall take title to the high-level radioactive waste or spent nuclear fuel involved as expeditiously as practicable upon the request of the generator or owner of such waste or spent fuel; and
>
> (B) in return for the payment of fees established by this section, the Secretary, beginning not later than January 31, 1998, will dispose of the high-level radioactive waste or spent nuclear fuel involved as provided in this subtitle."

The Department's obligation is stated and defined further in the Standard Disposal Contract. In Article II, the contract provides for DOE's acquisition of title to spent nuclear fuel and high level radioactive waste, transportation, and subsequent disposal "after commencement of facility operations, not later than January 31, 1998." In Article I, DOE facility is defined as "a facility operated by or on behalf of DOE for the purpose of disposing of spent nuclear fuel and/or high-level radioactive waste, or such other facility(ies) to which spent nuclear fuel and/or high-level radioactive waste may be shipped by DOE prior to its transportation to a disposal facility."

In response to a question from me in September 1984, then-Secretary of Energy Donald Paul Hodel stated that this commitment in the Standard Disposal Contract, taken with the overall thrust of the Nuclear Waste Policy Act, would create an obligation for the Department to accept spent fuel in 1998 whether or not a repository is in operation.

In 1987, the Department further refined its interpretation of that legal obligation in response to a post-hearing question. At that

Question 12 continued:

time, the Department stated that its contractual obligation could be met by acceptance of spent fuel at a monitored retrievable storage (MRS) facility in the event that a repository was not in operation.

Do you believe that the Department has an obligation to accept title to spent fuel after January 31, 1998 in the event that neither a repository nor an MRS is in operation?

Would the Department be legally required under the NWPA, and the Disposal Contract, to provide a facility for temporary storage beginning in 1998 if neither a repository nor an MRS is in operation?

Would the Department be authorized to take title to spent fuel and store it at reactor sites?

Answer:

My response to these legal questions should be prefaced by my understanding of the policy context in which they arise. Admiral Watkins has emphasized to me the extreme importance the Department attaches to seeing to it that the repository program proceeds as smoothly and effectively as possible to provide a prompt solution to the problems faced by the Nation and the Nation's nuclear utilities in disposing of spent fuel. The Department is acutely aware of the fact that the utilities, being responsible to their rate payers and their state regulatory agencies, can find themselves on the front line in demonstrating progress in return for the fees levied on their rate payers to finance this program.

Answer continued:

There are, of course, difficult institutional issues that must be surmounted, as well as regulatory and technological questions that need to be resolved satisfactorily and promptly. Admittedly, there is a gray area premised on both the repository schedule and the way the law is structured regarding the period of approximately 1998 and 2003, but the Department's policy remains steadfast in that it is obliged to solve the problem of spent fuel now being stored by the Nation's nuclear utilities. With this preface, I turn to the particular legal questions you have posed.

While I have not exhaustively examined these questions, they seem to involve the complementary but separate issues of duties imposed on the Department directly by the Nuclear Waste Policy Act, together with the duties imposed by the Standard Disposal Contract. As I am sure you can appreciate, I would not be inclined to reopen questions on which the Department previously had opined, and of course I am not yet in a position authoritatively to represent the Department's legal position on new questions.

From the excerpts of the statute and the Standard

Answer continued:

From the excerpts of the statute and the Standard Disposal Contract quoted in your question, it does not seem clear to me that there is a legal obligation on the Department to accept spent fuel after January 31, 1998, if neither a repository nor an MRS is in operation by that date. The quoted portion of the statute that specifies the beginning date of January 31, 1998, speaks in terms of disposal of waste pursuant to the statute, so that if the statute itself elsewhere contemplates that neither a repository nor an MRS might be available at that time, then the legal duty to begin waste disposal could not seem to arise until a disposal facility existed. On the other hand, however, I am mindful of the statement attributed in the question to former Secretary Hodel to the effect that the overall thrust of the Nuclear Waste Policy Act and the entirety of the Standard Disposal Contract might create an obligation to accept spent fuel in 1998 even if a repository is not operational by that date.

From the excerpt of the Nuclear Waste Policy Act quoted in your letter, it is not apparent that the Department would be legally required to provide some other facility for temporary storage in 1998 if neither a repository nor an MRS were in

Answer continued:

operation. Here too, however, the question may be closer and more complex were it considered by reference to the entirety of the Standard Disposal Contract and the entirety of the statute. In this connection, I am not aware of any provision that would either authorize or preclude the Department's taking title to spent fuel and storing it at power reactor sites, but I anticipate that this question would require more thorough scrutiny in order to be confident of a particular course of action that included an approach such as this one.

QUESTIONS FROM SENATOR JOHNSTON

Question 13:	Are you familiar with the so-called "central figure" theory, "tortious conduct" theory, "trust fund doctrine", and "unjust enrichment" theory being employed by ERA prosecutors and Office of Hearings and Appeals adjudicator in oil overcharge cases?

(a) Please succinctly define these various theories.

(b) How do these approaches differ?

(c) For each theory, please describe whether it is based on civil or criminal law principles, equity, or some combination thereof.

Answer: I am generally familiar with these legal doctrines, though not with their specific employment by ERA prosecutors and OHA adjudicators in particular oil overcharge cases.

The "central figure" theory and "tortious conduct" theory are alternative names for the doctrine under which an individual may be held personally liable to make restitution for misconduct resulting in wrongful corporate acts.

Under the "trust fund doctrine," a person or corporate body holding property that is subject to another's superior right is deemed to have a fiduciary obligation that prevents the holder from transferring "good title" to the property; if the

Answer continued:

holder nonetheless attempts to transfer the property, the recipient takes the property subject to the preexisting superior right.

"Unjust enrichment" is a theory that holds the recipient of ill-gotten or unearned gains liable to restore what he has received.

All of these doctrines have their origin in equity. They are, in essence, special remedies that the courts have developed for situations in which "legal" relief (i.e., damages) is either unavailable or insufficient to do justice. With these as with other equitable remedies, civil and criminal law principles may be highly relevant in determining whether equitable relief is appropriate, but do not provide a mechanical test of its appropriateness.

QUESTIONS FROM SENATOR JOHNSTON

Question 14: In May 1988, we held a hearing on the Central Figure Theory. We received written testimony from two preeminent academic experts on the law of restitution. Both experts argued that DOE's theory was dead wrong. Professor George Palmer of the University of Michigan Law School, and author of the definitive 4 volume treatise, The Law of Restitution, wrote that to require an individual to make restitution of moneys he did not receive, when the government did not successfully pierce the corporate veil, is simply not permissible under the law of restitution.

Professor Peter Junger of the Case Western Reserve University School of Law testified that "the theory cannot be supported by any conceivable theory of restitution and is contrary to the law and the clear intent of Congress."

Former Deputy Secretary Salgado stated at his July 1988 confirmation hearing that he, on the advice of an independent legal consultant, had developed grave concerns over the legal and policy issues raised by the central figure theory. He pledged at that hearing to undertake a comprehensive review of the theory and its implications, and submit in writing by the end of the summer "a current analysis of the theory, presenting a broad range of views and subjective analysis." (July 11, 1988 Salgado Confirmation Hearing).

Yet on November 8, 1988, Mr. Salgado sent the Committee a one page "Report", which concluded summarily that the Central Figure Theory "is reasonably available to the government". The report made no attempt to address the professors' concerns, nor did it present any legal and policy rationales for imposition of this outrageous principle on individuals, as I have been requesting of DOE since February 1988.

(a) The "Report does not state anywhere that the DOE policies apply to the Office of Hearings and Appeals, which recently refused to dismiss a case against an individual despite ERA prosecutors' requests to do so consistent with the "Report" policies. Does DOE "Report" policy apply to OHA?

Answer: I am not familiar with the facts and circumstances involved in the OHA refusal to dismiss a case despite the request of ERA to do so. I understand that the Administrator of the ERA was ordered to implement the recommendations contained in the Report of the Central Figure Theory Review Group by then-Deputy Secretary Salgado. Presumably, until changed, this directive represents the policy of DOE. As such, it should be applicable to any and all involved elements of the Department, which here would include OHA.

QUESTIONS FROM SENATOR JOHNSTON

Question 14(b)(1): Doesn't Number 2 of the "Report" policy, allowing collection from each shareholder/individual of that portion of principal and interest equal to his proportionate equity share, amount to piercing the corporate veil without the need need to prove the well settled corporate law standards for piercing?

Answer: Recommendation Number 2 of the Report of the Central Figure Theory Review Group provides that DOE will limit the amount of liability it seeks to impose on an individual shareholder defendant under the "central figure" theory to the portion of the overcharge (and interest) that is equal to his portion of the equity in the corporate defendant during the period of the alleged violation. This is an equitable and policy-based self-limitation on use of the "central figure" theory, rather than a separate basis for piercing the corporate veil. Any conflict in those doctrines would result from application of the "central figure" theory itself, rather than this limitation upon its use as a matter of policy.

QUESTIONS FROM SENATOR JOHNSTON

Question 14(b)(2): **In your opinion, should standards for piercing in oil overcharge cases be different from traditional corporate law piercing standards even if corporations are exclusively creatures of state law?**

Answer: I am unaware of any basis for developing special standards for "piercing the corporate veil" in oil overcharge cases. However, I understand that federal courts have frequently rejected state corporate law rules in determining whether to "pierce the corporate veil" in a variety of cases brought under federal laws.

QUESTIONS FROM SENATOR JOHNSTON

Question 14(c): Number 5 of the "Report" requires individuals to "trace and account for the disposition of assets from the violation period". This burden shift, and the extreme difficulty in providing sufficient documentation for thousands of transactions that occurred in the 1970's amounts to a Herculean task that armies of ERA accountants have been unable to accomplish. How do you justify this burden shift as a matter of law? As sound policy promulgated to promote settlement and resolution of the remaining cases?

Answer: Recommendation Number 5 of the Report establishes a DOE directive to ERA to settle "central figure" cases for less than the full recovery that the case law would otherwise permit, after further taking into account the self-imposed limitations on an individual shareholder's proportionate liability under Recommendation Number 2. I would view this potential further reduction as an opportunity for a defendant to achieve a more favorable settlement by demonstrating that he has not improperly disposed of assets, rather than an attempt to shift the burden of proof in the context of a litigated proceeding.

QUESTIONS FROM SENATOR JOHNSTON

Question 14(d): Would you undertake an independent legal and policy review of all these theories that impose joint and several liability in restitution on individuals for moneys they never received, where there is the absence of traditional corporate law grounds for piercing the corporate veil?

In your independent review, would you please specifically address each argument criticizing the central figure theory contained in the May 19, 1988 written and oral testimony of Professor Junger, and the letter from Professor Palmer to me, contained in the record of that May 19th hearing?

Answer: The Department's current policy, as established by then-Deputy Secretary Salgado, appears to reduce, if not eliminate, individual "central figure" liability for money that individuals did not receive, either actually or constructively through an equity position in the firm. Under these circumstances, it is unclear to me whether the ERA enforcement litigation practices will prompt the Department's senior management to decide that an additional review would be warranted. As you are probably aware, as General Counsel under DOE's current organizational structure, I would not have routine oversight authority over ERA litigation, but, of course, I would undertake

Answer continued:	**any sort of additional review as General Counsel that the Department's senior management would decide was appropriate.**

QUESTIONS FROM SENATOR JOHNSTON

Question 15: Secretary Watkins pledged to me that DOE would do everything possible to bring the oil overcharge prosecutions to an expeditious conclusion. On February 8, 1989, ERA Administrator van Orman wrote me to inform the Committee that DOE entered into a proposed $150 million consent order in the long standing Cities Service case. Yet unlike most proposed consent orders that are soon finalized, this one has lingered for months.

(a) What is the problem in Cities Service?

Answer: My understanding of the proposed consent order in the Cities Service proceeding is that its publication of notice was temporarily delayed "as a courtesy to the Chairman of a congressional subcommittee." Following publication in the Federal Register on May 24, 1989, comments were received during a 30-day period which expired June 23, 1989. ERA is presently reviewing all of the comments submitted, including those of Senator Nickles by letter of July 10, 1989. After this review is completed, I expect that ERA will take such action on the proposed consent order as is fair and appropriate under all of the circumstances.

QUESTIONS FROM SENATOR JOHNSTON

Question 15(b): What do you intend to do in order to settle expeditiously all remaining cases?

Answer: Under the current DOE organizational structure, the responsibility for handling petroleum price overcharge and allocation cases arising under the Emergency Petroleum Allocation Act resides in the Administrator of the ERA. To the extent that the General Counsel, as legal advisor to the Secretary, can assist in the process of completing the remaining cases and terminating the program, I would hope to do so. In the final analysis, the ability to settle any case depends upon the willingness and reasonableness of both sides. If I can aid in that process, I would be happy to participate.

QUESTION FROM SENATOR JOHNSTON

Question 15(c): Do you have estimates of completion dates for the remaining cases?

Answer: I understand that virtually all of the remaining ERA cases are in some stage of the litigation process. Hopefully, the settlement process will hasten the conclusion of many of these cases, although the completion dates for any settlements will depend upon the willingness and the ability of both sides to achieve agreement.

For those cases in which settlements cannot be reached, final resolution will be dependent upon the schedules of the relevant administrative and judicial agencies. If it becomes necessary to pursue assets through bankruptcy or similar proceedings, additional years may be necessary for completion. At some point, it may be more efficient for those proceedings to be handled by the Department of Justice.

QUESTIONS FROM SENATOR JOHNSTON

Question 16: On May 25, 1989, FERC Judge Liebman issued a Decision and Proposed Order in an oil overcharge "layering" case, Elk Trading Company, that overturned large portions of DOE's arguments concerning validity and scope of the rule, and placement of the burden of proof on defendants in layering cases. Yet on June 30, 1989, DOE filed a motion with FERC in Merit Petroleum, imploring the Commission to expedite a 1988 FERC Judge's decision upholding DOE's layering theories. The same DOE attorney who petitioned FERC to expedite the layering case upholding DOE was the attorney of record in the Elk Trading case, yet the motion to expedite gives no indication to the Commission that a new decision contrary to the one pending in Merit Petroleum had been issued.

(a) Don't DOE prosecutors have legal and ethical obligations to disclose new material and contrary decisions like Judge Liebman's Elk Trading decision when they appeal an issue to FERC?

Answer: ERA, not the General Counsel, represents the Secretary before FERC in the Merit proceeding. Since that matter remains sub judice, ERA believes it would be inappropriate to respond to the question why certain material was not included in the motion filed before the FERC on June 30, 1989, other than to note the following:

(1) The Presiding Judge in Elk certified the record of the proceeding to the Commission, together with a revised proposed decision, on June 27, so that matter was before FERC when the motion in Merit was filed three days later.

Answer continued:

(2) The May 25 proposed decision in Elk was apparently superseded by the Judge's revised proposed decision on June 27, but that revision is not yet available, or its contents known to ERA.

(3) ERA's motion in Merit was a procedural motion asking that the proceeding be returned to the FERC's agenda for final decision. It was not substantive, nor did it argue the merits.

As a general proposition, I would agree that ERA's prosecutors have an obligation to advise a tribunal of new material and contrary decisions of which they are aware.

QUESTIONS FROM SENATOR JOHNSTON

Question 16(b): What kind of supervision and review of ERA administrative litigation division attorneys exists in the General Counsel's Office since the DOE reorganization of January 1989?

Answer: The General Counsel's Office does not supervise and review ERA administrative litigation division attorneys. The DOE reorganization of January 1989 provided that the Administrator of ERA would report to the Secretary through the General Counsel. However, in May of 1989 the reorganization was modified to direct the Administrator to report directly to the Secretary.

QUESTIONS FROM SENATOR JOHNSTON

Question 16(c):	Why didn't ERA attorneys file a similar motion for a final FERC decision in Mapco International, RO86-22-00, a layering case also certified to the Commission in the summer of 1988?
Answer:	The litigation of remedial order review proceedings at FERC is a responsibility of ERA, not the Office of General Counsel. ERA believes it would not be appropriate to comment upon a case which remains sub judice.

QUESTION FROM SENATOR MCCLURE

Question 1: Over eight years ago, President Reagan, as one of his first actions, terminated the last vestiges of petroleum price and allocation controls. Nevertheless, the Economic Regulatory Administration continues to pursue oil overcharge cases dating back to the mid-1970's. But at some point this process needs to be concluded.

Can you assure the Committee that when confirmed you will give priority to the completion of proceedings on the remaining cases, either by litigation or negotiated settlement?

Answer: Although the General Counsel does not have direct responsibility for the completion of proceedings on the remaining ERA cases, I understand that Secretary Watkins has assured this Committee that every priority is being given to the completion of those cases. As the principal legal advisor to the Secretary, I intend to assist him to achieve this objective.

QUESTION FROM SENATOR NICKLES

Question 1(a): In your capacity as General Counsel, will you make special efforts to wrap up the remaining oil overcharge investigations and enforcement actions? If not, please explain in detail why you believe the enforcement actions should continue for a longer period of time after decontrol than the period the Petroleum Price and Allocation Regulations were actually in effect.

Answer: I do not, of course, believe that it is a desirable state of affairs for major enforcement actions under the Petroleum Price and Allocation Regulations to be pending for such a long period after decontrol. I understand, though, that some of the major legal questions presented by the program were not resolved until even after decontrol, and of course settlement negotiations can hasten the conclusion of cases when both sides exhibit the willingness and the ability to achieve agreements. Although as General Counsel under the Department's current organization I would not be responsible for routine oversight of ERA litigation and settlements, I would make any particular efforts requested of me by the Department's senior management to contribute to prompt and proper resolution of the outstanding caseload.

QUESTION FROM SENATOR NICKLES

Question 1(b): I am greatly offended by the Department's past use of the "central figure theory" in prosecuting defendants in overcharge cases. Are you going to stop the use of this theory -- or variations of this theory -- by the DOE? If not, why not?

Answer: I understand that the Temporary Emergency Court of Appeals has expressly approved the ERA's use of the "central figure theory" and the Supreme Court has declined to review that decision. I further understand that the DOE has previously established a Central Figure Theory Review Group which has imposed limits on ERA's ability to pursue individual defendants. I believe that if this court-sanctioned theory is to be utilized, reasonable limitations of prosecutorial discretion are appropriate and desirable. To the extent that legal issues regarding use of this theory come before the General Counsel, I would expect to interpret the exercise of that prosecutorial discretion narrowly.

Department of Energy
Washington, DC 20585

ENERGY COMMITTEE
RECEIVED
JUL 25 1989

July 25, 1989

The Honorable J. Bennett Johnston
Chairman
Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510-6150

Dear Mr. Chairman:

Thank you for the opportunity to appear before you and the distinguished members of your Committee on July 18, 1989, for my confirmation hearing for the position of Assistant Secretary for Conservation and Renewable Energy.

Enclosed for the record are answers to questions submitted to me in writing. In compliance with your request, included are 18 copies for distribution to the members of the Committee.

Please let me know if I can be of further service.

Sincerely,

J. Michael Davis

J. Michael Davis
Assistant Secretary-Designate
Conservation and Renewable Energy

Enclosures

QUESTIONS FROM SENATOR J. BENNETT JOHNSTON

Question 1:	Have you ever been investigated, arrested, charged or held by any Federal, State or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, please explain.
Answer:	No.

QUESTIONS FROM SENATOR J. BENNETT JOHNSTON

Question 2: Have you ever been convicted (including a plea of guilty or nolo contendre) of any criminal violation other than a minor traffic offense?

Answer: No.

QUESTIONS FROM SENATOR J. BENNETT JOHNSTON

Question 3: Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

Answer: No.

QUESTIONS FROM SENATOR J. BENNETT JOHNSTON

Question 4: Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

Answer: No.

QUESTIONS FROM SENATOR J. BENNETT JOHNSTON

Question 5: If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

Answer: No.

QUESTIONS FROM SENATOR J. BENNETT JOHNSTON

Question 6: During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

Answer: No.

QUESTIONS FROM SENATOR J. BENNETT JOHNSTON

Question 7:	Have you or your spouse ever registered under the foreign Agents Registration Act? If so, please furnish details.
Answer:	No.

QUESTIONS FROM SENATOR J. BENNETT JOHNSTON

Question 8: Were all your taxes (Federal, State, and local) current (filed and paid) as of the date of your nomination hearing? If not, please explain.

Answer: Yes.

QUESTIONS FROM SENATOR J. BENNETT JOHNSTON

Question 9: Have all your Federal, State, and local taxes always been paid on time? If not, please explain.

Answer: Yes.

QUESTIONS FROM SENATOR J. BENNETT JOHNSTON

Question 10: If confirmed, are there any known limitations on your willingness or ability to serve for your full term or until the next Presidential election, whichever is applicable?

Answer: No.

QUESTIONS FROM SENATOR J. BENNETT JOHNSTON

Question 11: Please advise the Committee of any additional information, favorable or unfavorable, which you think the Committee would want to be aware of in considering your nomination.

Answer: There is no additional information to supply at this time.

POST-HEARING QUESTIONS AND ANSWERS RELATING TO THE JULY 18, 1989, HEARING

BEFORE THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE

J. MICHAEL DAVIS

NOMINEE FOR THE POSITION OF
ASSISTANT SECRETARY FOR
CONSERVATION AND RENEWABLE ENERGY

QUESTIONS FROM SENATOR JOHNSTON

Question 12: According to a 1987 article in the Energy Daily, the market potential for photovoltaics is very promising and sales are increasing. Why do you think that Arco is selling its solar subsidiary, which is widely regarded as a leader in the field?

Answer: Arco's solar subsidiary is currently a negative cash flow operation that is projected to remain so for several more years. Arco believes this projection will hold true even if the market continues to grow significantly and Arco maintains its position as a leading company in the photovoltaic field. The divestiture is also in line with Arco's statement that it is realigning its business to stress its major field of interest, oil.

QUESTIONS FROM SENATOR JOHNSTON

Question 13: Would the purchase of Arco Solar by a foreign company concern you? Would it have strategic significance?

Answer: Yes, the sale concerns me, and a sale to a foreign company could have strategic significance. The U.S. in its support of Arco photovoltaic research and development has an interest in the outcome of any sale or takeover by a foreign company. The strategic significance comes from Arco's leadership both in terms of sales and research progress in new photovoltaic materials. It is likely that large investments will still be needed to exploit this promising technology. After all, the technical talent of the ARCO staff is what made the operation successful. Full development of this important U.S. technology by a U.S. business would be preferred.

QUESTIONS FROM SENATOR JOHNSTON

Question 14: **What is the trade potential and the energy supply potential in the U.S. of the various renewable energy technologies?**

o How would you rank the various technologies in order of practical supply and trade importance?

Answer: The widespread use of renewable energy technologies is bounded by the availability of the physical resource, the cost competitiveness of the technology, the industrial capability to produce appropriate equipment, and the need for the product or service. These parameters will vary from country to country and will be major determinants in the applicability and use of renewable technologies. The trade potential is significant, and by properly targeting export promotion activities, U.S. companies can participate through direct sales or through collaborative efforts using in-country labor or materials. These parameters also vary from site to site in the U.S. From an availability perspective, geothermal resources are regionally specific, solar resources are widespread, and wind lies in between. By any measure the potential U.S. supply contribution is large.

QUESTIONS FROM SENATOR JOHNSTON

Question 15: Has DOE considered how it will continue to fund the State and Local Assistance Programs when the funds from the oil overcharge program are exhausted?

Answer: More than $300 million of the $3.8 billion in oil overcharge funds received by the States for use in these energy grant programs is yet to be allocated to the programs by the States. Furthermore, it is estimated that the States will receive an additional $600 million or more, mainly over the next five years, under terms of the Texaco Agreement and other final agreements which are being paid on an installment basis.

The experience of prior settlements has been that approximately 40 percent will be returned to the States. Additional cases whose settlements may total as much as $200 million more to the States are still to be decided. Of course, any estimate of funds received from future case resolutions will be highly speculative. These funds may last a year or two beyond the date of the final distribution inasmuch as most States have adopted multiyear spending

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QUESTIONS FROM SENATOR METZENBAUM

Question 7: In the previous Administration, the renewable energy programs within the Department of Energy were under fairly strict orders to concentrate on basic research and to stay away from activities relating to commercialization. Is that position changing? What would you like to see those programs do to work more closely with industry?

Answer: In order to move technology from the laboratory to the marketplace, DOE must recognize and understand the general product development process that U.S. industry uses to bring new products and services from research to market success. I will encourage program managers to actively involve industry in the research planning process.

DOE is currently compiling the best energy data available to support development of an integrated national energy strategy. We will then be able to analyze all viable energy paths while appropriately considering environmental and economic impacts. The best near, mid, and long-term investments among paths and within paths should become much more obvious and supportable.
Depending upon the needs of particular technologies and our assessment of the proper DOE role, one result of this effort may well be support for additional activities along the product development process.

Answer 15 continued: plans. The funds represent a substantial source of support for State and Local Assistance Programs (SLAP) over several years.

Over the past five years, SLAP programs have focused on expanding State and local community participation in conservation activities, and have demonstrated innovative methods for increasing private sector support. State application of those innovative techniques has proven the accessibility of non-Federal funds. Interstate sharing of information on the successful experiences and continued State efforts over the next several years can increase private sector support and result in a reliable supply of non-Federal funding.

QUESTIONS FROM SENATOR JOHNSTON

Question 16:	Dr. John Berg's May 1989 responses to post-hearing questions from Senator Metzenbaum estimated that $500 - 650 million in oil overcharge funds will be distributed to the States for SLAP programs. A May 1989 GAO Report evaluating the quality of DOE's oil overcharge information cited DOE's FY 1990 budget request as payments estimating that $200 - 500 million remains to be collected. GAO found that ERA's estimates are not based on any specific methodology, are not well supported, and are not documented. The GAO report said that ERA officials admitted that the estimates are speculative. What estimates do you subscribe to, and why?
Answer:	The Office of Conservation and Renewable Energy provides oversight of the expenditure of oil overcharge funds by the States. It is the responsibility of the Economic Regulatory Administration (ERA) to prosecute or settle the various oil overcharge cases. The ERA case-tracking database, which was the primary focus of the May 1989 GAO Report, was designed for ERA use in monitoring case status, progress and suspense dates. The ERA has stated that this database never was intended to be used as a mechanism to compute and maintain either the current document value of a case or the estimated collectible amount of a case.

Answer 16
continued:

The information provided by Dr. Berg was based on the best information available to ERA at that time, and included an estimate of funds scheduled to be paid under final settlements, including the remaining payments due from Texaco under its 1988 Consent Order. As indicated in a previous response, it has been estimated that the States will receive an additional $534 million from the Texaco settlement alone. Any estimate of funds received from future case resolutions would be highly speculative.

QUESTIONS FROM SENATOR JOHNSTON

Question 17: When can we expect DOE's report on the Weatherization Program as requested by the Appropriations Committee last year?

Answer: The report on the Weatherization Program is in the final stages of Departmental review. We anticipate it will be submitted shortly.

QUESTIONS FROM SENATOR METZENBAUM

Question 1: President Reagan and the Congress disagreed on many, many issues but few as strongly and continually as the role of energy conservation and renewable energy. This year, with President Bush and Secretary Watkins it's much easier to communicate with the Department of Energy, but we haven't yet seen the kind of inspiration and leadership with respect to conservation and renewables that we would like. Please tell the members of this committee what you would do as Assistant Secretary to help provide that kind of leadership and ability to work with Congress on these issues.

Answer: I share Secretary Watkins commitment to developing and carrying out the President's National Energy Strategy and to fulfilling the mandates Congress has established in law for the Department. Admiral Watkins has indicated that he wants the Department to have high credibility with Congress and the American people. My ideas and approaches for improving the conservation and renewable energy programs gained from prior government service and direct technology experience in industry will complement the foundation being built by the Admiral for the Department.

I intend to work cooperatively with Congress. I intend to be a credible source of recommendations to Congress on priorities for research funding within conservation and renewable energy programs. I intend to compete vigorously within the Department for available funds, and

Answer 1
continued: I will advocate a mix of energy sources that includes conservation and renewable technologies to move the nation towards an environmentally safe and secure energy future.

QUESTIONS FROM SENATOR METZENBAUM

Question 2:	If you are confirmed by the Senate and I call you up after three months on the job what will you be able to tell me about your activities at that point? What will you have accomplished and what will you have started to accomplish? What are your five highest priorities for your tenure as Assistant Secretary?
Answer:	Within three months I intend to have completed or in major part completed the following:

a.) A first round of program reviews, with the objective being to fully familiarize myself with current programs, funding amounts, and laboratory research assignments.

b.) A complete personnel and organizational review, with the objective being to determine areas of overlap or redundancy in research activities and how to better allocate human resources on the basis of this analysis.

c.) A comprehensive review of the conservation and renewable energy technology projects contained in the FY 91 Internal Review Budget.

In addition, I intend to contribute to the National Energy Strategy development through selected assignments of personnel in conservation and renewable energy programs.

Answer 2
continued

My highest priorities are: a.) Participation in the development and implementation of a National Energy Strategy that considers conservation and renewable energy technologies equally with other sources of energy.

b.) Development of a process for conservation and renewable energy budget planning that prioritizes funding requests by technology and by near, mid, and long-term time frames.

c.) Increased organizational efficiency and effectiveness through a process that relates the conservation and renewable energy programs to end-user sectors.

d.) Enhancement of the national laboratory facility and human resource base so that true centers of excellence develop for basic and applied research in conservation and renewable energy technologies.

e.) More effective public and private sector cooperation in support of an environmentally safe, economically competitive and nationally secure energy future.

f.) Gaining the respect and trust of Congress and the public as a credible voice for information on conservation and renewable energy programs and technologies.

QUESTIONS FROM SENATOR METZENBAUM

Least-Cost Energy Planning

Question 3:	What do you see as the role of least-cost energy planning in the nation's energy future and what will you do at DOE with respect to least-cost planning?
Answer:	"Least-cost energy planning" implies that cost alone should guide us and that there is a single path we should take if we are smart enough to find it. To me, there are other important goals besides cost, such as the quality and national value of the services. I would define "least-cost" broadly to include the full range of energy, economic, and environmental values that should guide public policymakers. And I would add that when the future is uncertain, the least-cost approach is one that advances the nation's well-being under a wide range of possible alternative futures. Defined this way, I see least-cost energy planning as playing a central role in the nation's future and will seek to advance it at DOE.

QUESTIONS FROM SENATOR METZENBAUM

Question 4: Probably the single biggest ticket item for energy conservation in the next decade is fuel efficiency standards for automobiles. I have introduced legislation, S. 984, with bipartisan support, that would increase the CAFE standard to 34 miles per gallon by model year 1996. This level was based on analyses, including one done by D.O.E., that indicated that it could be achieved solely by better utilizing familiar, off-the-shelf and cost-effective technologies, such as 4-valve per cylinder engines. Do you agree that a technology-based approach is the best way to pursue higher CAFE standards? If confirmed would you be willing to work with this committee and staff to draft the most effective and workable CAFE legislation? Will you draft the most effective and workable CAFE legislation? Will you go to bat with the Department of Transportation and aggessively pursue the energy policy perspective on fuel efficiency?

Answer: I am not prepared to say what the Administration's policy will be on the use of CAFE standards. DOE intends to consider all of the options to improve energy efficiency in the development of a national energy strategy. These issues must also be discussed with the Department of Transportation and other agencies.

A technology-based approach is a sound basis for evaluating the future fuel economy potential of highway vehicles. According to DOE analysis, the technologies that are listed can provide cost-effective fuel economy improvements in cars to about 34 mpg, assuming that market mix and performance remain at 1987 levels. However, to reach these higher fuel economy levels in MY 1995, manufacturers would need to alter existing product plans so significantly as to substantially increase the cost of

Answer 4 continued: fuel economy technologies relative to the cost of introducing these technologies in a planned and orderly way. Therefore, at this point in time, DOE does not believe that levels above 31 mpg can be achieved by MY 1995 without increasing consumer costs more than would be repaid by estimated fuel savings.

You can be assured that throughout the process of developing a policy to improve fuel economy I will work with the committee and its staff and will be very active in pursuing these goals with the Department of Transportation.

QUESTIONS FROM SENATOR METZENBAUM

Question 5: I have noted with interest and pleasure the Administration's increasing focus on environmental issues. Also, I am aware that the Department of Energy is now working on a new draft national energy policy which will be released next year. What plans do you have for ensuring that renewable energy technologies receive appropriate consideration in these policy discussions on energy and the environment?

Answer: Secretary Watkins has clearly expressed his intention to examine thoroughly all energy options, and especially conservation and renewable technologies, in his deliberations on a National Energy Strategy. I will support these activities with all the means available to me, and I intend to be personally involved in policy aspects of his review. I also intend to assist the process by bringing various constituencies into the Department's deliberations. By assuring a review of a range of public viewpoints as part of the process, we can achieve an improved consensus and support for the resulting National Energy Strategy.

QUESTIONS FROM SENATOR METZENBAUM

Question 6:	In the renewable energy industry we have seen tremendous inroads made by foreign competitors -- often by utilizing U.S. government-supported research and development and then commercializing the new technologies faster than domestic firms do. Why do you suppose that is? Are the foreign companies better business people than our own, or is the U.S. energy research and development program ill-suited to the needs of domestic companies?
Answer:	The energy marketplace, like so many others, is becoming more globally competitive. In many areas involving conservation and renewable energy, U.S. industry should be properly recognized as world leaders. I intend to improve DOE's responsiveness to industrial needs and to mobilize the Department, other agencies, and the private sector to build upon and expand upon our strong baseline technology capability. In the future, I hope to report to the Committee on successes in this regard and to point to an improving position within a competitive marketplace.

QUESTIONS FROM SENATOR METZENBAUM

Wind Energy

Question 8(a): Sales of wind equipment in the U.S. dropped from $500 million in 1985 to about $70 million last year, after the energy tax credits for wind were allowed to expire. Sales are expected to virtually dry up soon, as California utility contracts which provide generous prices for wind-generated electricity also expire. What plans do you have to keep the U.S. wind turbine manufacturing industry from literally disappearing altogether?

Answer: Wind energy represents a case in which very high sales were generated through a variety of factors, including tax incentives and favorable purchasing arrangements, before a full R&D program could be completed and before industry could evolve in an orderly fashion.

I intend to review carefully the status of wind technology and develop a programmatic strategy that is more orderly than an "on-again, off-again" environment. This strategy will build upon the technical and corporate capability remaining in the wind industry, and I will consult with that industry during this process.

QUESTIONS FROM SENATOR METZENBAUM

Wind Energy

Question 8(b): Wind electric turbines in the U.S. to date have been installed and operated almost exclusively by private entrepreneurs. What plans do you have to encourage the purchase and operation of wind equipment by electric utilities?

Answer: I am aware that entrepreneurs have played a significant role in introducing wind technology in the marketplace. I am also acutely aware that a successful program strategy must recognize the legitimate interests of utilities (including ownership) in electric generation facilities. I believe that an improved dialogue between these interests can be productive. I intend to pursue a program strategy which brings utilities and manufacturers together to develop mutually supported objectives that consider the recognizable benefits each side requires.

QUESTIONS FROM SENATOR McCLURE

Energy Efficiency and Renewable Energy

Question 1(a): Over the years our concept of energy conservation has matured from that of doing without to one of making more efficient use of our available energy resources.

In your judgment, what is the role of energy efficiency in a national energy policy?

Answer: Energy conservation is a critical energy resource. No national energy policy could sensibly be crafted without integration of the role that conservation and efficiency play.

The development of DOE's national energy strategy recognizes this role. DOE plans to give attention to how this long term potential can be achieved with an adequate degree of certainty, and at what relative cost. Analysis of this potential is currently underway, with the active participation of DOE's national laboratories.

QUESTIONS FROM SENATOR McCLURE

Energy Efficiency and Renewable Energy

Question 1: Over the years our concept of energy conservation has matured from that of doing without to one of making more efficient use of our available energy resources.

(b) In your judgement, can energy conservation serve as a substitute for new energy supplies?

Answer: Conservation is a legitimate and large potential energy resource. With aggressive efforts to encourage the development and adoption of energy-efficient devices, we could conceivably stabilize our aggregate national demand for energy at its current level; however, conservation cannot economically or practically substitute for all new energy supplies. The large size of our energy conservation potential and the flexible nature of energy efficiency options mean that energy conservation can serve as a major energy resource in the long run and a near term balancing force between demand and available supplies.

QUESTIONS FROM SENATOR McCLURE

Question 2: This Committee has a comprehensive legislative schedule involving many matters within the purview of the Assistant Secretary of Conservation and Renewable Energy. Do you promise to maintain a continuing dialogue with the Committee and keep us fully informed on matters within your responsibility, and respond in a timely manner to our request?

The reason I mention this is that several weeks ago the Committee requested comments on Senator Fowler's bill, S.488. However, it was only yesterday that comments were received and the markup is tomorrow. Can we expect to see improvements in this regard?

Answer: I will take all actions within my authority to engage in a full and timely dialogue with the Committee. As more new line managers assume responsibility within DOE, our response to the Committee will improve.

QUESTIONS FROM SENATOR McCLURE

Appliance Standards

Question 3: As you are aware, there often are conflicting goals between Federal energy and environmental policies. Sometimes such conflicts are not readily apparent.

For example, the Department of Energy is currently engaged in implementation of the National Appliance Energy Conservation Act of 1987. Included in the proposed rule-making are standards governing the efficiency for energy efficient refrigerators and freezers. Achievement of these standards, at this time, may very well rely on greater use of the same CFC's (chloro-fluoro-carbons) that are being phased out under the Montreal Protocol and decisions by CFC producers to terminate their production.

In your judgement, should energy efficiency standards for refrigerators and freezers reflect consideration of the schedule in the Montreal Protocol for phase out of CFC's?

Answer: The Department's analysis of the impacts of energy conservation standards for refrigerators and freezers should consider the reduction of CFC's under the Montreal Protocol. On December 2, 1988, the Department published a notice of proposed rulemaking concerning energy conservation standards for refrigerators. The Department received 120 comments on the proposed rule, providing extensive information and data concerning the effect of the reduction of CFC's under the Montreal Protocol, including information on designs reported to have the potential of either improving refrigerator efficiency or reducing CFC use. Having completed a review of these comments, the Department is preparing the final rule, which will address the comments in detail, and which is scheduled to be published in the Federal Register in mid-October.

QUESTIONS FROM SENATOR McCLURE

Energy Efficiency and Renewable Energy

Question 4: Many regions of the country are facing narrow reserves due to a shortage of electric power generation capacity. In response to this situation, a number of utilities have solicited bids from IPP's (Independent Power Producers) for additional capacity. Some of these solicitations are willing to consider conservation proposals as an alternative to new generating capacity, to be evaluated on an equivalent basis.

a. In your judgment, what are the types and sizes of conservation opportunities that may exist as alternatives to new generating capacity?

Answer: A conservative estimate is that 10 to 20 percent of the projected increase in electricity requirements can be met through energy conservation. Other estimates show a much higher share. Identifying this potential through actual programs in cooperation with utilities is a high priority for DOE.

Alternatives to new generating capacity can also be obtained through load-shifting and energy storage programs. It is estimated that the industry can meet up to an additional 10 percent of its peak demand through these strategies. Alternative storage options include battery, compressed air, and pumped hydro storage in the near-term, and superconducting magnetic storage in the mid- to long-term.

QUESTIONS FROM SENATOR McCLURE

Energy Efficiency and Renewable Energy

Question 4(b): **What conservation technologies exist today that have evolved since the energy shortages of the 1970's? Would you distinguish between opportunities through actions by utility consumers and "demand side" management opportunities?**

Answer: In all end-use sectors, there have been broad advances in conservation technologies since the energy shortages of the 1970s. For example, low emittance glazing reduces heating and cooling requirements in the building sector; heat recovery systems reduce process energy demand in the industrial sector; and sophisticated engine fuel controls and vehicle designs have doubled fuel efficiency in the transportation sector.

Utility consumers are installing more efficient lighting systems, air conditioners, energy controls, and industrial process technologies. The "demand side" management opportunities include energy storage, energy control systems, and least-cost utility planning strategies.

QUESTIONS FROM SENATOR McCLURE

Energy Efficiency and Renewable Energy

Question 4(c):	Do you consider energy conservation to be equivalent to, or preferential to, the construction of new generating capacity?
Answer:	If all other things are equal, it would be preferable to conserve energy rather than to construct a new generating plant. In addition to the saved capital expenditure, there would be less environmental impact. However, the two should be seen as complementary where new capacity is required. That is, conservation options, can both improve the operating characteristics of the generating plant and reduce the overall demand from the plant.

QUESTIONS FROM SENATOR McCLURE

Energy Efficiency and Renewable Energy

Question 4(d): In your judgment, should the Federal government foster greater energy conservation as an alternative to the construction of new generating capacity.

Answer: The Federal government should encourage energy conservation where it can provide an economic alternative to the construction of new generating capacity. The construction of generating capacity represents a major capital investment. It is in the best interest of both the utility investors and utility customers to make the best use of this investment before commiting to new capacity investments. This means an active Federal program to encourage applicable energy conservation technologies and measures.

QUESTIONS FROM SENATOR McCLURE

Energy Efficiency and Renewable Energy

Question 5(a): **What energy conservation opportunities exist for utilities themselves in the generation, transmission and distribution of electricity?**

Answer: The utilities have made significant advances in this field. One example is the increased use of centralized dispatching systems within their regional reliability councils. Another is the increased application of time-of-use rates by utilities to encourage load shifting. The use of thermal storage at an electric power plant is an effective way to allow the steam cycle to operate at its optimum efficiency level.

Battery and superconducting magnetic energy storage will have a major impact on the efficiency, reliability and stability of the total electric network of the future.

QUESTIONS FROM SENATOR McCLURE

Energy Efficiency and Renewable Energy

Question 5(b): Reportedly, between 6 and 8 percent of the total electricity generation is lost within the transmission and distribution system. What energy conservation technologies are available to recover this lost energy?

Answer: The losses in the total electric system result from the movement of electricity in wires, cables and equipment. The reduction of these losses may be possible in the next decade with the introduction of superconducting devices, transformers, generators, and motors. Within two decades, such equipment could be widely available and used.

In addition, the Department is supporting programs designed to capture "waste heat" from power generation plants. In conventional plants, about two-thirds of the primary energy used to fire generation plants is discharged into the atmosphere. We are supporting various activities such as district heating and cooling technologies that would capture this waste heat and convert it into useful space conditioning or process energy applications.

QUESTIONS FROM SENATOR McCLURE

Energy Efficiency and Renewable Energy

Question 6: One concern that has been expressed with customer conservation and demand side management programs is that the utility makes an investment that results in lower energy sales. This means that either investors will receive a lower return or customers must pay a higher price for electricity. Is it possible that conservation opportunities on the utility side of the meter (such as lower loss distribution transformers) could result in a more efficient operation without reducing the utilities' energy sales.

Answer: Utilities more readily accept and implement regulations that consider both stockholders and customers. If public policy determines that utilities' customers should be encouraged to use energy efficiently, and the utilities pursue this goal, then the utilities that do so successfully believe they should be rewarded by corresponding profits.

In the future, it may be helpful to support changes in the traditional way utilities are regulated. In the past, utilities have been allowed a rate of return based upon the capital value of their plant. This has encouraged them to invest in generating facilities to increase their earnings.

Answer 6 continued:

The Department is working with utilities and the National Association of Regulatory Utility Commissioners to explore new State regulatory approaches that would reward utilities with successful demand-side programs.

QUESTIONS FROM SENATOR HATFIELD

Question 1: It has become evident that non-renewable energy sources carry disturbing potential for adverse environmental impacts. One only mentions the name Exxon Valdez to bring forth images demonstrating the problems with oil. Although continued or increased use of our Nation's abundant coal resource may reduce reliance on imported oil, its impact on global warming may be a price too high to bear. Interestingly, nuclear plants are currently being touted as an answer to the need for power production free of global warming implications. However, unless science comes up with an acceptable answer to the questions of safety and radioactive waste disposal, it is difficult to paint that option as an environmentally acceptable one. Mr. Davis - this is what is known as a "softball question" - what are the most promising energy alternatives that also pose minimal risk to the environment?

Answer: I intend to be personally involved in the issue of the environmental impacts of energy technologies. I am confident that conservation and renewable energy options will receive careful review and policy consideration. Intuitively I believe that these technologies will be attractive from an environmental as well as energy perspective, and I intend to strengthen the quality and depth of our environmental analysis to ensure that their merits are assessed on a quantitative basis.

My starting point is a clear recognition that energy efficiency represents an environmentally attractive and, in many cases, least expensive source of new energy supply. The past decade's

Answer 1 continued: experience within the marketplace illustrates the potential for energy efficiency to reduce the need for construction of new electric capacity and to moderate requirements for petroleum and other fossil fuels. These savings, achieved within a healthy economy, have had the additional benefit of reducing emissions of various pollutants from levels that would have otherwise occurred. I am further persuaded that additional gains are possible in the future through support for appropriate R&D investments coupled with a success-oriented policy and strategy.

Equally important in my view are the renewable energy technologies currently under research or undergoing initial market deployment by industry. Many of these technologies have extremely low pollution characteristics at the point of use and, as technology-intensive rather than fuel-intensive supply sources, represent genuine promise for construction of environmentally acceptable new sources of supply. I am particularly intrigued that well-managed biomass technologies may offer an opportunity for near to midterm net gains on the environmental front due to their unique ability to absorb carbon within the feedstock.

QUESTIONS FROM SENATOR HATFIELD

Question 2:	As you know, I have been a supporter of both renewable energy and conservation programs for some time. During the previous administration, funding for conservation and renewables was drastically reduced. Given President Bush's desire to be known as the environmental President and the statments he has made on acid rain and global warming, can we expect the Administration to advocate increased funding levels for conservation and renewable programs?
Answer:	In the past, conservation and renewable energy technologies have been both oversold and undersold. The questions remain: What are the best investments to make, and whose data do you believe? DOE is currently compiling the best energy data available to support development of an integrated national energy strategy. We will then be able to analyze all viable energy paths while appropriately considering environmental and economic impacts. The best near, mid, and long-term investment among energy paths and within paths should become much more obvious and supportable. This will provide the basis for bringing forward appropriate conservation and renewable funding requests for consideration.

QUESTIONS FROM SENATOR HATFIELD

Energy Efficiency and Renewable Energy

Question 3: **Between 1973 and 1986, our nation's GNP rose over 50 percent. During that period, our energy consumption remained roughly constant. High gasoline prices led to reduced demand and increased conservation. Unfortunately, and largely due to a subsequent world glut, our record since 1986 has been poor. Energy consumption has begun to rise while energy efficiency, which had improved steadily since 1973, has begun to fall. Currently, as recently reported by the New York Times, the United States is 49 percent less energy efficient than Japan. What actions are the Department prepared to take in order to reverse this trend?**

Answer: Our nation has made impressive gains in energy efficiency since the 1973 oil price shock. When we compare our present energy consumption levels against the pre-1973 trends, we find that we would have needed almost 50 percent more energy to support our economy. This means that we have enjoyed almost a decade of economic growth without any substantial increase in energy consumption.

The Department of Energy supports energy efficiency R&D in a variety of technology areas in order to support a continuing flow of cost-effective energy efficiency options to the buildings, industrial, transportation, and utility marketplaces. This is coupled with a technology dissemination and transfer program that provides consumers and businesses with information to support sound decisions. In addition, the Federal Energy Management Program seeks to use Federal facilities as a testbed for emerging efficiency technologies, which provides the operating experience necessary to demonstrate their effectiveness.

QUESTIONS FROM SENATOR HATFIELD

Question 4:	As you may know, through the Northwest Power Act, the Northwest has become a national leader in least-cost planning and conservation. It is my understanding that the Department of Energy favors the establishment of a national energy plan. Can you tell me what role conservation and least-cost planning will play in this comprehensive policy?
Answer:	The Pacific Northwest Electric Power Planning and Conservation Act (PL 96-501) treated conservation as an energy resource on a comparable basis with electric power generation. Among those resources which are determined to be cost-effective, the Act assigns first priority to conservation. The Act, in emphasizing conservation as a resource, also encouraged development of a planning strategy that would incorporate flexibility and risk management. The purpose is to develop a strategy that provides an adequate supply of electricity at the lowest possible cost. To meet the Act's cost-effectiveness test, a conservation resource must not only be a least-cost resource, but also must be reliable and available when needed. After eight years of planning and analysis of Northwest resources, conservation has proved to be economically competitive with alternative resources. To date, at a cost of less than 3 cents per kilowatts, over 300 megawatts of conservation savings have been acquired by the Bonneville Power Administration (BPA). BPA estimates that there are 1500-2000 megawatts of conservation potential in the Northwest at a cost of less than 5 cents per kilowatt.

Answer 4 continued: Although the Department is in the early stages of the National Energy Strategy development, it has already determined that conservation will be an integral part of the plan. We recognize that the experience of the Northwest provides practical guidance to national energy policy development.

QUESTIONS FROM SENATOR HATFIELD

Question 5: I have introduced a bill, S. 1059, which seeks to promote increased exports of U.S. renewable energy products. Along with keeping our domestic renewable industry the world leader, expanding these exports would have the effect of lessening third-world dependence on imported oil - something that we have not been able to show them by example. There would be additional humanitarian benefits - solar technology allows impoverished people in remote areas to run refrigerators needed for medicine that they would otherwise go without. Clearly, renewable programs will also have a great benefit domestically as well. What do you intend to do in order to help these companies demonstrate their product's commercial applicability?

Answer: DOE's first responsibility is to support industry with a strong, well directed research and development effort aimed at mutually agreed-upon goals. Secondly, the Department should undertake an aggressive effort through the Committee on Renewable Energy Commerce and Trade to assist U.S. industry with near-term market development abroad. Through design assistance to customers, trade promotion, and energy system education, this collaboration between industry and Federal agencies can knock down barriers and successfully promote increased sales for export.

QUESTIONS FROM SENATOR BURNS

Question 1: Mr. Davis, earlier this year this committee held hearings on S. 488, the Renewable Energy and Energy Efficiency Technology Competitiveness Act of 1989. Included in this bill was a section which allows joint ventures with the private sector to assist in the commercialization of renewable energy and energy efficiency technologies. What are your feelings on the joint venture approach and will you encourage more of this during your tenure?

Answer: I have begun the process of reviewing the various methods used by the Department in collaborating with industry to effectively transfer technology from an R&D environment to commercial practice. I am aware that several mechanisms for developing joint ventures are in place which are similar to the types of joint ventures contemplated by S. 488. Cooperative R&D ventures of the type proposed in the Act may be a useful complement to established mechanisms so long as the Department is provided the appropriate levels of flexibility in selection of specific projects and so long as administrative procedures can be held to a minimum.

QUESTIONS FROM SENATOR BURNS

Question 2: As you are well aware, Montana is a resource rich state with an abundance of coal and other fossil fuels. While energy conservation and renewable energy are very important, it is my belief that we must utilize these existing minerals, not only in their present form, but as methanol from coal and ethanol from corn and wheat. Do you agree that we should continue to promote alternative fuels or should we shift our emphasis to renewable energy sources?

Answer: No one energy source will provide us with all the energy we need. We will need a mix of energy sources to meet our future energy needs. Our choices should make good sense from an economic, environmental and energy security standpoint, and these choices might vary from region to region. All of these energy sources will be considered in development of NES, and that in particular, alternative fuels policy will be extensively studied by the Interagency Commission.

QUESTIONS FROM SENATOR BURNS

Question 3:	Is there any one area in particular that you believe more emphasis should be placed. For example would it be advantageous for this country to concentrate our resources on developing solar over wind or geothermal? What suggestions do you have on what direction our policy should take?
Answer:	Just as we need major contributions from all our fossil and nuclear sources, we need to develop contributions from all our renewable sources. There are many renewable technology options to develop, and most technologies are at different stages along the development process. What we must do is carefully and consistently evaluate each of these technologies to define their near, mid, and long-term potential and support needs. We can then develop the best overall funding strategy, while being sensitive to budget constraints.

QUESTIONS FROM SENATOR NICKLES

Question 1: Michael Davis: It is my understanding that the DOE is undertaking a comprehensive study of alternative motor fuels.

(a) When will this study be completed? Will it fairly compare the potential roles of MTBE and ETBE as well as ethanol, methanol and natural gas?

Answer: The comprehensive study on alternative fuels you refer to is being conducted by DOE's Office of Policy, Planning and Analysis with support from several other offices in DOE, including Conservation and Renewable Energy. The study is entitled "Assessment of Costs and Benefits of Flexible and Alternative Fuel Use in the U.S. Transportation Sector." Thus far, one technical report and two progress reports have been published. Several more reports will be published before the end of FY 1989. The final report will be completed during FY 1990. Additional work in this area is likely to be conducted in FY 1990 and in subsequent years in support of the Interagency Commission on Alternative Fuels.

The study is focusing principally on methanol, compressed natural gas, and electricity as the most likely alternatives to gasoline and diesel fuel over the next 15 years.

QUESTIONS FROM SENATOR NICKLES

Question 1(b):	Does the Office of Conservation and Renewable Energy need additional legislative authority to conduct testing of fuels in both laboratory and road tests?
Answer:	Additional legislative authority is not required to conduct testing of alternative fuels in laboratory or road tests. Such testing can be carried out through the Alternative Motor Fuels Act of 1988 or DOE's Alternative Fuels Utilization R&D program.

QUESTIONS FROM SENATOR NICKLES

Question 1(c): Does your office support laboratory testing of alternative fuels in heavy duty diesel engines? If so, would additional appropriations be needed to complete these tests in FY 1990?

Answer: The office does support limited laboratory testing of alternative fuels in heavy duty diesel engines. A project has been completed at the Southwest Research Institute investigating natural gas as a fuel in a locomotive diesel engine. A cooperative effort with Canada is underway to investigate transient emissions using methanol and natural gas as fuel in a heavy duty truck engine. Canada is supporting the methanol portion, and the Department of Energy is supporting the natural gas portion. The work is being done under contract in laboratories at Caterpillar. A contract is also in negotiation with a heavy duty engine manufacturer to investigate ignition options for methanol fuel in their laboratories. DOE plans to initiate basic diesel combustion investigations using alternative fuels in FY 1990. All of these activities can be carried out without additional appropriations in FY 1990.

Department of Energy
Washington, DC 20585

JUL 25 1989

July 24, 1989

The Honorable J. Bennett Johnston
Chairman
Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Thank you for the opportunity to appear before you and the distinguished members of your Committee on July 18, 1989, for my confirmation hearing for the position of Assistant Secretary of Energy for International Affairs and Energy Emergencies.

Enclosed for the record are answers to questions submitted to me in writing. In compliance with your request, included are 18 copies for distribution to the members of the Committee.

Please let me know if I can be of further service.

Sincerely,

John J. Easton, Jr.
Assistant Secretary for
International Affairs and
Energy Emergencies Designate

POST-HEARING QUESTIONS AND ANSWERS RELATING TO THE JULY 18, 1989, HEARING

BEFORE THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE

JOHN J. EASTON, JR.

NOMINEE FOR THE POSITION OF
ASSISTANT SECRETARY FOR INTERNATIONAL
AFFAIRS AND ENERGY EMERGENCIES

QUESTIONS FROM SENATOR JOHNSTON

Question 1: Have you ever been investigated, arrested, charged or held by any Federal, State or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, please explain.

Answer: No.

QUESTIONS FROM SENATOR JOHNSTON

Question 2: Have you ever been convicted (including a plea of guilty or nolo contendre) of any criminal violation other than a minor traffic offense?

Answer: No.

QUESTIONS FROM SENATOR JOHNSTON

Question 3:	Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.
Answer:	Yes - In my capacity as Attorney General I was the subject of 3 complaints to the Professional Conduct Board, as follows: 1) 1984 - ACLU on behalf of Jones, Wall & Woodward - No action taken. 2) 1983 - Wiesman, Swantko & Morris - Dismissed. 3) 1983 - Stanton L. Marshall - Dismissed.

QUESTIONS FROM SENATOR JOHNSTON

Question 4: Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

Answer: No.

QUESTIONS FROM SENATOR JOHNSTON

Question 5: If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

Answer: My former employer, the law firm of Miller, Eggleston, and Rosenberg, Ltd., represents Karhu, Inc. This is a Finnish Company that manufactures skis and hockey sticks. The Union Bank of Finland, which may or may not be owned by the Finnish Government, owns Karhu, Inc. Senior partner Jon Eggleston of the law firm represents Karhu. I had no direct contact with the client nor worked on its file.

QUESTIONS FROM SENATOR JOHNSTON

Question 6: During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

Answer: No.

QUESTIONS FROM SENATOR JOHNSTON

Question 7:	Have you or your spouse ever registered under the foreign Agents Registration Act? If so, please furnish details.
Answer:	No.

QUESTIONS FROM SENATOR JOHNSTON

Question 8:	Were all your taxes (Federal, State, and local) current (filed and paid) as of the date of your nomination hearing? If not, please explain.
Answer:	Yes.

QUESTIONS FROM SENATOR JOHNSTON

Question 9:	Have all your Federal, State, and local taxes always been paid on time? If not, please explain.
Answer:	Yes.

QUESTIONS FROM SENATOR JOHNSTON

Question 10:	If confirmed, are there any known limitations on your willingness or ability to serve for your full term or until the next Presidential election, whichever is applicable?
Answer:	No.

QUESTIONS FROM SENATOR JOHNSTON

Question 11:	Please advise the Committee of any additional information, favorable or unfavorable, which you think the Committee would want to be aware of in considering your nomination.
Answer:	None.

QUESTIONS FROM SENATOR JOHNSTON

Question 12: As the Assistant Secretary for International Affairs and Energy Emergencies, I hope you will look seriously at the funding problem we have with filling the Strategic Petroleum Reserve. In that regard I also hope that you will give your full support to the Oil Leasing Study for the SPR that DOE was directed to do in the EPCA extension that was enacted on June 30, 1989. Are you familiar with that?

It seems to me that with the Saudis visiting here and our oil producing neighbors to the south having serious debt problems, that there are golden opportunities for our government to put together an oil leasing arrangement to fill the SPR.

Recently, I wrote Admiral Watkins and asked him to look seriously at the oil leasing arrangement in anticipation of his upcoming visit with the Saudis. Do you know what has happened with that?

Answer: In accordance with the recently extended Energy Policy and Conservation Act, DOE has begun a study to look at alternative ways to finance oil supplies for the SPR. The prospect of leasing as a means of providing oil for the SPR is one option that we intend to explore in depth. In anticipation of King Fahds' visit to the U.S., now scheduled for the early fall, we are working with the State Department to prepare responses to any queries from the King regarding this option. We also intend to approach other countries to ascertain their interest in developing mutually-beneficial alternative arrangements for providing oil to the SPR.

QUESTIONS FROM SENATOR JOHNSTON

International Energy Agreement

Question 13: **Mr. Easton, recently we had a hearing on the SPR. At the behest of Sen. Matsunaga, I asked then Assistant Secretary Wampler, what could be done to ensure that Hawaii gets oil supplies in the event of an oil supply disruption? He said that he would look at their rather unique problem. Do you know what if anything has transpired on this?**

Answer: An exchange of letters has taken place with Senator Matsunaga, initiating a continuing dialogue to discuss Hawaii's unique problems in order to assure that the SPR will continue to be responsive to Hawaii's energy needs, as well as those of the entire United States. In the Department's latest letter to the Senator, we noted the findings of a recent DOE Staff Report which stated, "under the existing SPR Distribution Plan, the SPR sales process could be initiated in advance of a drawdown decision, contingent upon such a decision. Under these circumstances, SPR oil deliveries could commence as soon as the date of a drawdown decision. Such an approach could result in deliveries in Hawaii as early as 23 days (actual shipping time) after a drawdown decision." As stocks in the primary distribution system in Hawaii are estimated to average about 30 days of supply and oil shipments already en route would still be

Answer 13
continued:

arriving for up to three weeks, replacement supplies of crude oil from the SPR could be available before significant shortages develop. In any event, the Department stands ready to review this subject together with appropriate Hawaiian state personnel to ensure that the current SPR plans effectively incorporate an ability to deal with an energy supply disruption affecting Hawaii.

QUESTIONS FROM SENATOR McCLURE

Energy Security Threat

Question 1: Today the U.S. is even more dependent on foreign oil than it was just prior to the 1973 Arab oil embargo -- and that dependence continues to grow. This dependence is so great that, earlier this year, when the Department of Commerce released the results of its Trade Expansion Act Investigation on oil imports, the Department concluded that:

> "There have been substantial improvements in U.S. energy security since the last Section 232 petroleum finding in 1979. However, declining domestic oil production, rising oil imports and growing Free World dependence on potentially insecure sources of supply raises a number of concerns, including vulnerability to a major supply disruption. The investigation found that the maintenance of U.S. access to sufficient supplies of petroleum is essential to our economic security, foreign policy flexibility, and defense preparedness. Given the above factors, it was found that petroleum imports threaten to impair the national security."

Would you agree that our growing foreign oil dependence poses a threat to our economic security as well as energy security?

Answer: U.S. oil imports have increased from an average of 4.3 million barrels per day in 1985 to a current level of 7.0 million barrels per day, or about 41 percent of current consumption. The continuing rise in U.S. oil imports increases the risk of damage to the U.S. economy in the event of a major disruption in our oil imports or in world oil supplies.

Although oil imports are increasing, the United States and its allies are better prepared than ever before to confront an energy emergency. To begin with, several steps have been taken to mitigate our energy security problems and, in turn, make us more resilient in an oil

Answer 1:
Cont.

crisis. For example, we have increased our Strategic Petroleum Reserve to over 570 million barrels of crude oil. We are promoting a strong domestic oil industry by eliminating unnecessary regulation and have proposed additional economic incentives to encourage drilling. Energy savings from conservation and progress toward diversification of our energy resources are occurring. Additionally, our continued emphasis on international cooperation regarding the build-up and use of oil stocks in emergencies has met with significant success. The government-controlled stocks of our partners in the International Energy Agency currently total 400 million barrels of oil.

Due to the large amount of excess production capacity in the world and the availability of strategic stocks, supply disruptions in particular regions are not likely to have the same effect on prices today as did the supply disruptions of the 1970s.

QUESTIONS FROM SENATOR McCLURE

International Energy Agreement

Question 2: The United States has actively supported compliance with the International Energy Agreement obligation that each member State maintain as strategic stocks at least 90 days of net oil imports. But now, due to trends in oil imports, the United States could fail to meet its own obligation in this regard. If this were to occur, it could significantly undermine our credibility and leadership on this vital issue.

a. Do you agree with this assessment of current trends in oil imports and their implications for our continued compliance with this IEA obligation?

Answer: The IEA stockholding obligation is based on total primary stocks (i.e., stocks held at refineries, in bulk terminals, etc., but exclusive of pipeline fill) plus stocks held in separate reserves such as the U.S. SPR and German EBV, minus a 10% allowance for unavailable inventories. Based on this definition, latest available data indicate that the U.S. holds stocks equivalent to approximately 218 days of 1988 net imports.

We agree that as our imports rise, our days of import coverage will fall, but there is little chance of the U.S. failing to meet its IEA obligation.

QUESTIONS FROM SENATOR McCLURE

Question 2(b): Do you support the United States' continued international leadership in support of compliance with this obligation by all IEA member states?

Answer: Since the establishment of the International Energy Agency, the U.S. has played -- and will continue to play -- a leadership role in developing and strengthening IEA energy emergency response programs, including urging members to build government-controlled stocks and comply with the stockholding obligation.

In addition, under the U.S. leadership, the IEA has established the Coordinated Emergency Response Measures (CERM), a flexible, market-oriented mechanism for responding to emergencies.

QUESTIONS FROM SENATOR McCLURE

Strategic Petroleum Reserve

Question 3: As you are aware that current law regarding the Strategic Petroleum Reserve requires a minimum fill rate of 75,000 barrels per day until 750 million barrels of oil are in storage. Do you support this policy?

Answer: I am aware of the current statutory requirements on Strategic Petroleum Reserve fill rates, which would achieve a 750 million barrel Strategic Petroleum Reserve by the mid-1990s. This is a reasonable policy objective assuming our ability to pay for it at this rate.

Department of Energy
Washington, DC 20585

July 25, 1989

The Honorable J. Bennett Johnston
Chairman
Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Thank you for the opportunity to appear before you and the distinguished members of your Committee on July 18, 1989, for my confirmation hearing for the position of Assistant Secretary for Congressional and Intergovernmental Affairs.

Enclosed for the record are answers to questions submitted to me in writing. In compliance with your request, included are 18 copies for distribution to the members of the Committee.

Please let me know if I can be of further service.

Sincerely,

Jacqueline Knox Brown

Jacqueline Knox Brown
Assistant Secretary for
Congressional and Intergovernmental
Affairs-Designate

Enclosures

QUESTIONS FROM SENATOR JOHNSTON

Question 1: Have you ever been investigated, arrested, charged or held by any Federal, State or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, please explain.

Answer: No.

QUESTIONS FROM SENATOR JOHNSTON

Question 2: Have you ever been convicted (including a plea of guilty or nolo contendre) of any criminal violation other than a minor traffic offense?

Answer: No.

QUESTIONS FROM SENATOR JOHNSTON

Question 3:	Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.
Answer:	No.

QUESTIONS FROM SENATOR JOHNSTON

Question 4:	Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.
Answer:	No.

QUESTIONS FROM SENATOR JOHNSTON

Question 5: If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

Answer: No.

QUESTIONS FROM SENATOR JOHNSTON

Question 6: During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

Answer: No.

QUESTIONS FROM SENATOR JOHNSTON

Question 7: Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

Answer: No.

QUESTIONS FROM SENATOR JOHNSTON

Question 8:	Were all your taxes (Federal, State, and local) current (filed and paid) as of the date of your nomination hearing? If not, please explain.
Answer:	Yes.

QUESTIONS FROM SENATOR JOHNSTON

Question 9:	Have all your Federal, State, and local taxes always been paid on time? If not, please explain.
Answer:	**All Federal, State and local tax returns have been filed on time. However, on several occasions I have negotiated payment arrangements for taxes owed, which allowed up to 12 months to pay my taxes.**

QUESTIONS FROM SENATOR JOHNSTON

Question 10: If confirmed, are there any known limitations on your willingness or ability to serve for your full term or until the next Presidential election, whichever is applicable?

Answer: There are no limitations.

QUESTIONS FROM SENATOR JOHNSTON

Question 11:	Please advise the Committee of any additional information, favorable or unfavorable, which you think the Committee would want to be aware of in considering your nomination.
Answer:	**There is no additional information which I think the Committee** would want to be aware of in considering my nomination.

QUESTIONS FROM SENATOR JOHNSTON

Question 12:	What are your top priorities for your service at DOE?
Answer:	My top priority for my service as Assistant Secretary for Congressional and Intergovernmental Affairs is to improve and enhance the role of my office as the principal point of contact and coordination between the Department of Energy and the Congress. In addition, I will make an aggressive effort to increase participation of state and local officials, business and consumer representatives and other energy-oriented organizations and institutions in the process of developing and implementing our national energy policy.

Specifically, I will review the current process for sharing information with and transmitting documents to the Congress, and will work with the Office of the Secretary to establish new procedures to address concerns that have been raised regarding the level of cooperation and responsiveness on legislative issues from the Department of Energy.

It is my hope that the staff of the Office of Congressional and Intergovernmental Affairs will establish themselves as official representatives and spokespersons for the Secretary of Energy, and that Members of Congress and their staffs will regard my office as a credible and reliable source of information and assistance as we work together on national energy issues.

QUESTIONS FROM SENATOR McCLURE

Keeping Congress Informed

Question 1: This committee has a comprehensive legislative schedule involving many matters within the purview of the Department of Energy. In fact, this Committee is the principal Senate committee with jurisdiction over the Department of Energy. If either of use are going to be effective in our jobs, it is therefore imperative that we maintain a continuing dialogue on matters of mutual concern.

Do you promise to maintain a continuing dialogue with this Committee on matters within your responsibility, and respond in a timely manner to our requests?

Answer: Maintaining a continuing dialogue with the Members and staff of the Committee on Energy and Natural Resources and improving the timeliness of Departmental responses will be top priorities for me as Assistant Secretary for Congressional and Intergovernmental Affairs. I assure you that I am committed to working with the Office of the Secretary and other departmental program offices to address your concerns in this regard.

QUESTIONS FROM SENATOR McCLURE

Special Isotope Separation (SIS)

Question 2: As you are aware, the Special Isotope Separation (SIS) facility is important to me. Moreover, its eventual operation will enable the Federal government to produce weapons-grade plutonium.

while its primary mission is to produce the equivalent of 15 reactor-years' worth of weapon grade plutonium, as you are aware, its capabilities also include the ability to produce tailored mixtures of special isotopes for a wide variety of military applications.

Therefore, it is important that the project construction proceed in a timely manner. Yet there are skeptical members of Congress whose agenda and priorities may not necessarily coincide with those of the Department of Energy. Do you agree?

Do you promise to keep this Senator fully informed on decisions regarding the future of SIS so that we do not have a repeat of what happened last week?

Answer: I am fully aware of the importance of the Special Isotope Separation facility to you and your state. It is important that we work with you, other Members of Congress, the President and other executive agencies to ensure that decisions on major Department of Energy projects are consistent with our national security agenda and priorities. You can be assured that I will work closely with you and your staff to keep you informed of decisions made by the Secretary.

Department of the Interior
18th and C Streets, N.W.
Washington, D.C. 20240

JUL 19 1989

Honorable J. Bennett Johnston
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Enclosed you will find my responses to the questions for the record following my confirmation hearing before the Senate Energy Committee on July 18.

If I can be of further assistance to you, please let me know. I look forward to working with you and your colleagues in the coming months.

Sincerely,

Harry M. Snyder
Director-Designate, Office
of Surface Mining and
Reclamation

Enclosures

cc: Honorable James A. McClure, Ranking Minority Member
Committee on Energy and Natural Resources
United States Senate

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

1. Question: Have you ever been investigated, arrested, charged or held by any Federal, State or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, please explain.

Answer: No.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

2. Question: Have you ever been convicted (including a plea of guilty or nolo contendre) of any criminal violation other than a minor traffic offense?

Answer: No.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

3. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

Answer: No.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

4. Question: Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

Answer: No.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

5. Question: If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

Answer: No.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

6. Question: During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

Answer: No.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

7. Question: Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

Answer: No.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

8. Question: Were all your taxes (Federal, State, and Local) current (filed and paid) as of the date of your nomination hearing? If no, please explain.

Answer: No. I have obtained an extension of time within which to file my income tax return for tax year 1988.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

9. Question: Have all your Federal, State, and Local taxes always been paid on time? If not, please explain.

Answer: I requested and received an extension of time for filing my Federal, State, and Local taxes for 1988.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

10. Question: If confirmed, are there any known limitations on your willingness or ability to serve for your full term or until the next Presidential election, whichever is applicable?

Answer: No.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

11. Question: Please advise the Committee of any additional information, favorable or unfavorable, which you think the Committee would want to be aware of in considering your nomination.

Answer: I am aware of none.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

12. Question: What are your goals and objectives for the agency?

o How do you plan to achieve these goals and objectives?

Answer: My immediate goals are to address the questions concerning the applicant violator system, study the issue of valid existing rights, and review the oversight policy. In addition, I will address management problems and act to improve the morale of the agency. By bringing all of the relevant parties -- internal and external -- into the process will be one of the steps which will hopefully address the morale problem and the management problem.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

13. Question: What, if any, policy changes do you plan to make?

Answer: Beyond the goals mentioned in my answer to Question #12, I believe it is still premature to identify specific policies I might change.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

14. Question: As you know, implementation and enforcement of the Surface Mining Control and Reclamation Act of 1977 (SMCRA) by the Office of Surface Mining Reclamation and Enforcement (OSMRE) has been controversial at best.

- What are your plans to eliminate the controversy that has surrounded the agency, and to make OSMRE a more effective regulatory agency?

Answer: OSMRE will always be involved in controversy because of the nature of its mission. However, through good management practices and hard work I am confident I can build a sense of respect and credibility with our constituencies.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

15. Question: Attempts by the previous Administration to initiate personnel moves engendered controversy.

- Do you have any plans for major changes in personnel management?

- If so, what changes are you contemplating?

Answer: My first priority will be to deal with the issues identified in my statement and in response to other questions of the Committee, e.g., valid existing rights, applicant violator system, and oversight policy. In addition, I will devote considerable energy to management issues and the morale of the agency. I do not plan major changes in personnel management at this time.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

16. Question: On December 27, 1988, OSMRE published a proposed rule to define what constitutes valid existing rights (VER) to mine in areas that are otherwise prohibited under Section 522(e) of SMCRA.

- What is the status of this rulemaking?
- What is OSMRE's estimate of the amount of area likely to be found subject to valid existing rights using the "modified all permits" alternative?
- The "ownership and authority" alternative?
- Please break this information down by land classification, i.e., national forest lands, park system lands, etc., and by state.
- Please provide the same information for each alternative if a VER test is applied regarding surface effects of underground mining.

Answer: The Department of the Interior sent a notice to the Federal Register on July 18, 1989, withdrawing the valid existing rights rulemaking proposed on December 27, 1988.

I do not currently have information concerning areas that might be affected by the various options proposed by the Department in the rulemaking which is being withdrawn. I intend to revisit all the factors involved in the valid existing rights issue, including the questions raised by your inquiry. I have asked the Agency to provide the Committee with copies of the draft Environmental Impact Statement which contains much of the data you have requested.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

17. Question: In 1983, OSMRE stated in a VER rulemaking procedure that "OSMRE is convinced that it cannot specifically delineate a class of circumstances with the assurance that the class is neither overinclusive nor underinclusive of all potential takings which might result from 522(e) prohibitions" and, therefore, OSMRE adopted a general "takings" test for determining VER. This alternative was not proposed in the most recent rulemaking.

- Why was this alternative not proposed?
- Why is OSMRE now convinced that it can delineate such classes of circumstances?

Answer: The Department of the Interior sent a notice to the Federal Register on July 18, 1989 withdrawing the valid existing rights rulemaking proposed on December 27, 1988. I have not been fully briefed on previous valid existing rights rulemakings issued by the agency, nor on the reasoning behind the rulemaking that is being withdrawn. If confirmed, I will become fully informed on these and other aspects of this difficult and complex issue.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

18. Question: If the ownership and authority option is chosen, what would be the cost to the federal government if lands within the National Park System determined to be subject to VER were purchased by the federal government to prevent coal mining within parks?

Answer: I do not have detailed information concerning the various options contained in the rulemaking that has been withdrawn. If confirmed, I intend to become fully informed on this option and its implications, as well as other options that the Department needs to consider in developing a valid existing rights standard which will implement the intent of Congress to protect both certain sensitive areas and private property rights.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

19. Que~~stion: On~~ what basis did OSMRE make the determination that Belville Mining Company, Inc. has VER to strip mine in the Wayne National Forest?

- Please provide the Committee with all the documentation used in making the determination.
- What role did the Forest Service play in making the determination?
- Does this determination violate the Administrative Procedure Act?

Answer: I have not been fully briefed on the details of this issue. However, I have been informed that the agency has provided to the Congress all the information used in reaching the valid existing rights decision in the Wayne National Forest, Ohio. I have asked the agency to provide you with a complete copy of this record. Until I review all the documents fully I do not have an opinion on whether that determination violates the APA.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

20. Question: What was the impetus for OSMRE's plan to give states more oversight duties under SMCRA?

- o What are the standards to be used to evaluate compliance with SMCRA under the pilot oversight policy?
- o How will this policy impact the number of OSMRE field offices, the number of OSMRE personnel in such offices, and the number of federal inspectors?

Answer: Oversight is a Federal responsibility. I understand that the concept paper, which was a product of a joint OSMRE/State Task Force, promoted the development of State data bases and internal controls. However, the concept paper did not include a delegation of oversight responsibility to the states.

It is my understanding that the evaluation standards for the pilot or prototype oversight plans are still under development. As I have previously stated, oversight is one of my highest priorities. Among the issues I will be looking at in oversight are the evaluation criteria for this pilot program. I have been informed that the implementation of this pilot oversight policy will have no impact on the number of field offices or the distribution of personnel including inspectors throughout those field offices.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

21. Question: This plan represents a significant change in policy. However, it was done with no formal public notice and no opportunity for formal public comment.

o Does the failure to provide public notice and seek public comment violate the Administrative Procedure Act?

Answer: I am informed that, as a general matter, the Administrative Procedure Act (APA) excludes matters related to agency management, organization, procedures, and practice. However, the Secretary has asked that I make the oversight policy one of my highest priorities at OSMRE. I will work closely with the Solicitor's office concerning any APA concerns in the development of oversight policy.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

22. Question: Please describe how federal and state inspections will be conducted under the policy?

Answer: I have been informed that the basic structure of Federal and State inspections will not be altered under the prototype oversight policy insofar as their obligation to look for and cite all violations. The primary difference in oversight inspections under this prototype policy, I am told, would be an obligation to also evaluate the overall environmental effectiveness of the approved program in achieving the objectives of the Surface Mining Control and Reclamation Act of 1977 (SMCRA).

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

23. Question: Please describe OSMRE's role in overseeing state enforcement under the plan.

Answer: I am informed that OSMRE's role overseeing state enforcement under the prototype plans is not significantly changed from the oversight policy in non-prototype states. However, greater latitude has been provided in these prototype plans as to how that role will be carried out by the respective field offices including such things as coordinated data bases. That role is further described in the revised concept paper and prototype work plans that will be provided in response to Question #26.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

24. Question: What information will be reported to OSMRE on an annual basis?

Answer: I have been informed that for each of the states being reviewed under the prototype oversight policy, the field office director will be required to prepare an annual report with information comparable to that being prepared for non-prototype states.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

25. Question: How were the states chosen for participation in the program?

o Under what standards will OSMRE judge the plan and decide whether to apply it to other states?

Answer: I am informed that the selection of states for participation in the prototype oversight process was based on interest of the states and the field office directors in participating, and in geographic distribution.

As I pointed out in my response to Question #20 the standards by which OSMRE will judge the effectiveness of the prototype oversight states are still under development and I expect to be involved in the determination of any standards adopted.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

26. Question: I understand that the policy has been changed from the original concept paper.

- What changes have been made, and why?
- Please provide the Committee with an up-to-date copy of the oversight policy and any available work plans.

Answer: I have been informed that the initial concept paper upon which the prototype work plans were based was the product of a joint Federal/State Task Force and was finalized early in 1989. As a result of concerns expressed by OSMRE field office directors, the task force met again in June and made some revisions in that concept paper. I have asked the agency to provide you with copies of both the original and revised concept papers as well as the individual work plans for the prototype states.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

27. Question: The Applicant Violator System (AVS) is an important tool for identifying operators with outstanding violations of SMCRA. A January 1989 General Accounting Office report found that the Applicant Violator System needs to be improved, and made various recommendations.

- What changes does OSMRE plan to make in response to the Report?
- How long do you expect it to be necessary to make manual verifications of each system recommendation?

Answer: I understand the Department has provided a response to the GAO report. The Secretary has directed me, if confirmed, to immediately review all aspects of the AVS and implement needed improvements. I have committed to report back to the Committee within ninety days concerning the status of the AVS.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

28. Question: According to GAO, as of March 1988, about 46 percent of the system recommendations were reversed.

- How many currently are reversed? Please provide the following information for the time period of March 1988 to the present?

  1) Number of applications processed;
  2) Number of applications recommended by the computer system for issuance;
  3) Number of applications recommended by the computer system for denial;
  4) Number of denial recommendations later reversed after manual verification; and
  5) Number of issuance recommendations later reversed after manual verification.

Answer: I understand that the GAO report raised questions regarding system reliability and that the Secretary has responded to that report. The agency is currently reviewing the AVS. If confirmed as Director of OSMRE, I will look closely at the system's performance and report back to the Committee within ninety days on its status, including the issue of reliability.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

29. Question: Collection of civil penalties and Abandoned Mine Land Fund (AML) fees has been a serious problem for OSMRE.

- Of the total sum of outstanding civil penalties, what amount is currently uncollectible?
- What percentage of AML fees are currently delinquent?
- Has information on delinquent AML fees been fully integrated into the AVS system?

Answer: I have been informed that since program inception through June 30, 1989, OSMRE issued $193 million in civil penalties. Of this, $143 million has already been reclassified as uncollectible. Of the remaining $50 million, the Solicitor has reduced the debt by $6 million as part of the negotiated settlements and OSMRE has collected $12 million, and leaving a balance of $30 million. OSMRE estimates 92 percent of this remaining balance is uncollectible and ultimately will be written off.

It is my understanding that, from program inception through June 30, 1989, OSMRE collected 99 percent of the AML fees reported by coal operators, with a delinquency rate of only one percent.

I have been told that, since the AVS became operational in October 1987, AML fee data has been fully integrated into the system.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

30. Question: How many cessation orders currently are outstanding?

- Has the OSMRE followed up to insure operations under these orders actually cease?
- How many operations under cessation orders are still mining?
- Of those that have ceased, how many sites need to be reclaimed?

Answer: I am informed that as of July 18, 1989, there were 223 unabated imminent harm cessation orders and 2,474 unabated failure-to-abate cessation orders.

- It is my understanding that OSMRE is following up to ensure operations actually cease.
- I am told that OSMRE knows of no operations that are under cessation orders that are still mining.
- I am told also that all of these sites require reclamation to varying degrees.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

31. Question: How many enforcement actions has OSMRE brought against corporate officials for knowingly and willfully violating SMCRA?

Answer: I do not have information on the number of enforcement actions the Department has brought against corporate officials for knowing and willful violations of SMCRA. I have been informed that such actions include individual civil penalties, injunctions, and criminal actions. These are covered under the revised Parker Order and are currently reported to the U.S. District Court on a quarterly basis in accordance with that order. I have asked the agency to provide you with a copy of the latest quarterly report.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

32. Question: In 1992, the Abandoned Mine Land program expires under Title IV of the Surface Mining Control and Reclamation Act. What is your position on the reauthorization of the Abandoned Mine Land Program?

Answer: I am informed that the agency has for some time been studying the possible extension of Abandoned Mine Land fees beyond 1992. It is my understanding that this study is nearing completion. I expect to use the results of that study as I work with the Department to develop a position on reauthorization of the AML Fund.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Johnston

33. Question: With regard to the AML reauthorization, please describe in detail the Project 1992 that is being undertaken by the Office of Surface Mining.

Answer: I am informed that the Project 1992 to which you refer consists of three parts.

The first, is a compilation of data relevant to the policy decision. A draft of Part I was circulated to the States for comment earlier this year. I have asked the agency to provide you a copy of that document.

The second part consists of an analysis of data related to the issues concerned with the possible extension of AML fees. Also under review are possible modifications of the existing program assuming its continuation.

I am informed that a draft of this policy analysis will be available for comment prior to the end of the fiscal year. The agency then intends to finalize Parts I and II.

Part III will be a draft policy recommendation for consideration by the Secretary and the Administration.

Director, Office of
Surface Mining
Reclamation and
Enforcement - Designate

Senator Johnston

34. Question: Recently, attention has been focused on valid existing rights, state oversight, and the Applicant Violator System.

o What other areas, if any, do you see as priorities for review or action?

Answer: My immediate priorities are to address the issues pertaining to valid existing rights, the applicant violator system and the oversight policy. In addition, I will address management problems and act to improve the morale of the agency.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Metzenbaum

1. Question: A Lexington Herald-Leader editorial says that "The only way OSM can get a fresh start is to have Snyder give a clear game plan for his tenure at the agency." Please tell this Committee what your "clear game plan" is if you become Director of OSM. What are the five highest priorities you have at OSM.

Answer: My five highest priorities are: 1) resolving the valid existing rights issue; 2) improving the Applicant Violator System; 3) instituting an effective oversight policy; 4) resolving a number of internal management issues; and 5) improving the morale of the agency.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Metzenbaum

2. Question: In December 1988, OSM made a positive determination of Valid Existing Rights within the Wayne National Forest in Ohio, pursuant to a request by Belville Mining, Inc. In doing so OSM permitted the strip mining of over 5,000 acres of national forest land. Under what circumstances would you allow mining in the national forests?

Answer: One of my top priorities as Director of OSMRE will be to look at how valid existing rights are determined. I am concerned about implementing the intent of Congress in protecting National Forests and will work to carry out those provisions of SMCRA in an environmentally balanced manner.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Metzenbaum

3. Question: The current standard for determination of Valid Existing Rights determinations in Ohio is a demonstration that the operator who owns or has rights to the coal and has made a good faith effort to obtain all permits to mine the coal by August 3, 1977, or that the operation is needed for and immediately adjacent to an operation that was permitted as of August 3, 1977.

What standards for determining Valid Existing Rights did OSM use in the Wayne National Forest case?

What evidence was submitted by the requester of the Valid Existing Rights determination to support the requirements that the operation either (1) made a good faith effort to obtain all permits, or (2) was necessary for the operation and immediately adjacent to the operation. Please provide that documentation in response to this question.

Answer: I have not been briefed on this issue. However, I have been informed that the agency has provided to the Congress all the information used in reaching the valid existing rights decision in the Wayne National Forest, Ohio. I have asked the agency to provide you with a complete copy of this record.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Metzenbaum

4. Question: According to information obtained by the House Interior Committee investigation into this VER determination, in an investigative report dated June 21, 1989, the only documentation available from the Interior Department's review of the VER request is an undated memorandum from Mr. Wayne Babcock, which states that "[t]he decision to deny Belville's application for valid existing rights is probably the most defensible position legally."

What evidence was available to the agency to overturn the statements made in this memorandum?

Answer: As stated in the answer to question 3, the complete record of this case has been provided to the Congress. I have requested that your office receive a copy of this record.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Metzenbaum

5. Question: In light of what appears to be disregard for the Ohio permanent program regulations regarding Valid Existing Rights, will the Department commit to a suspension of the Valid Existing Rights determination made on behalf of Belville Mining on the Wayne National Forest pending a thorough review by the Department?

Answer: At this time, I do not know whether a Director has the authority to revisit a prior final decision made by the agency. If confirmed, I intend to review all valid existing rights issues, including Belville Mining. Until reviewed, I cannot respond to your suggestion regarding suspension of the valid existing right.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Metzenbaum

6. Question: Under what circumstances, if any, would you allow mining in the National Park System? If your answer is that you would not allow mining in the National Park System, please state the legal basis for the position. Further, if your answer is that the Department of the Interior would buy out the mineral holder, please state the approximate costs to the government to buy out the units in the Park System with significant coal in-holdings.

Answer: It has been a longstanding policy of the Department to protect National Parks and other sensitive areas from surface mining activities. Secretary Lujan has reaffirmed this policy to protect America's National Parks and natural treasures from surface mining. The Department has a variety of legal means available to implement that commitment. If confirmed, I will work with the Secretary to achieve the goal of no mining in the National Park System.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Metzenbaum

7. Question: Can you state now before the Committee that under no circumstances will you allow simple ownership or interest in a mineral and the right to use the selected mining method without more to constitute VER and therefore allow mining within the protected areas delineated in section 522 of the Surface Mining Act?

If confirmed, will you commit to the withdrawal of the current proposed rule on valid existing rights?

Answer: I am very concerned about the valid existing rights issue. If confirmed, I intend to examine all the options available to the Department in detail. I realize this is a very difficult issue, but I assure the committee I will strive to develop a solution which effectively implements Congress' intent in section 522 of the Surface Mining Control and Reclamation Act of 1977.

The Department of the Interior sent a notice to the Federal Register on July 18, 1989, withdrawing the valid existing rights rulemaking proposed on December 27, 1988.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Metzenbaum

8. Question: What is the current policy for consultation with the U.S. Forest Service and the appropriate Forest Service personnel on the National Forest in which a Valid Existing Rights determination is pending, such as occurred on the Wayne National Forest?

Answer: I have not yet been fully briefed on the details of the current policy for consultation with the Forest Service. I believe it is important for Federal agencies to work together to achieve the purposes of SMCRA and other legislation, and I am committed to consultation with other Federal agencies, including the Forest Service, where OSMRE makes determinations concerning lands managed by those agencies.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Metzenbaum

9. Question: If confirmed as Director of the Office of Surface Mining, would you allow through rulemaking or otherwise mining to occur under or near active churches or cemeteries? If you would allow such activity, please describe the circumstances under which you would allow such mining to occur and the circumstances under which you would prohibit such activity. State the legal authority for your position.

Answer: I am concerned with effective implementation of the intent of Congress regarding protection of churches, cemeteries, and other similar areas. I will look very closely at all issues contained in the rulemaking that is being withdrawn and will strive to develop a solution which effectively implements Congress' intent.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Metzenbaum

10. Question: Would you personally recommend to Secretary Lujan that he stay the litigation in SOCM v. Hodel in order to conduct settlement discussions to improve the Applicant/Violator System?

Answer: It is my understanding that a stay of the litigation is not key to addressing the concerns of the AVS. One of my highest priorities will be the efficient performance of the AVS. I am committed to its improvement. I, therefore, welcome input from any interested parties who may have suggestions for how this can be accomplished. As I have already committed, I will keep the Committee informed of the progress on AVS.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Metzenbaum

11. Question: What are your plans with regard to establishing meaningful standards for oversight of state programs? Will you maintain at the least current oversight procedures and annual reports if you do proceed with the controversial pilot programs?

Answer: The Secretary has asked me to examine oversight policy when confirmed. If confirmed, I intend to address this question as one of my three highest priorities. I am committed to full enforcement of the Surface Mining Control and Reclamation Act of 1977 and recognize that credible oversight in the evaluation of state programs is key to full implementation of the Act. I will review to determine appropriate modifications needed in the prototype work plans to assure that information consistent with the information collected in other states will be available for the coming year. Understand that annual reports will be continued for all states, including those operating under prototype work plans, for the coming year.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Metzenbaum

12. Question: Explain what steps you will take to ensure that all performance standards are met for coal waste dams and fills at the time of bond release.

Answer: It is my understanding that the Surface Mining Control and Reclamation Act of 1977 (SMCRA) and OSMRE's regulations include 1) performance standards for coal waste dams and fills, 2) that all reclamation plans issued under permits in accordance with SMCRA must demonstrate to the regulatory authority's satisfaction, 3) that the performance standards will be met, 4) and that certifications must be provided documenting proper construction. In addition, the regulatory authority is then required to conduct inspections at least monthly with complete inspections at least quarterly. These quarterly inspections must review all aspects of the operation including coal waste dams and fills. It is my understanding that current oversight policy addresses the permitting, certification inspection, and enforcement programs applicable to such facilities. If confirmed, as a part of my review of the oversight policies, I will look at the agency's procedures for ensuring that these performance standards are effectively enforced.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Metzenbaum

13. Question: The current relations between the environmental community and the Office of Surface Mining appears to be at an all time low. ~~What plans~~, if any, do you have to include the environmental community in the process of implementing SMCRA? Please tell the committee what specific steps you will take to improve OSM's relations with environmental groups and other members of the public.

Answer: I will ensure an open door policy at OSMRE, not only for the environmental community, but for industry, the states, members of Congress and any other interested parties. I hope to be able to eliminate some of the contention between OSMRE and these groups by listening to their concerns and soliciting their opinions and ideas for solutions to problems that concern them.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Heflin

1. Question: Given the public opposition to this proposal and the agency's apparent reversal of a longstanding position, will you, as the new Director of OSM, re-examine the issues in a new rulemaking and consider withdrawal of the proposal, if necessary?

Answer: The Department sent a notice withdrawing this rulemaking to the Federal Register on July 18, 1989. If confirmed, I will reconsider all aspects of this complex issue before making any decisions concerning additional rulemaking.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Heflin

2. Question: Absent from OSM's December 29 proposal is an option included in the agency's Environmental Impact Statement that the Section 522(e) prohibitions would not apply to underground mining. The agency further failed to explain the reasons underlying the deletion of this proposal. (a) Why did OSM delete the above option from the rulemaking? (b) Will OSM republish this rule with all of the options for addressing subsidence from underground mining, including the interpretation that SMCRA Section 522(e) prohibitions do not apply to subsidence from underground mining?

Answer: As I have noted, the Department has withdrawn the 1988 VER proposal which also included options on subsidence. If confirmed, I intend to review all the issues addressed in that rulemaking including the extent, if any, to which the prohibitions in SMCRA Section 522(e) apply to underground extraction.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Rockefeller

1. Question: You are aware that the Governor of West Virginia agreed last week to a comprehensive settlement of a lawsuit filed by the State's citizen and environmental groups. That agreement provides for a continued negotiation on several issues of major importance to my State, including revamping the State's bonding system and a return to the way mountaintop removal operations were conducted when I was Governor. The agreement expressly allows for OSM participation. My question is whether you will participate in these discussions if confirmed as Director of OSM.

I hope and anticipate that your answer will be yes.

If you do participate, will you keep my office informed of the progress of these talks. I am very interested in the outcome of these discussions since it will have a significant impact on the way coal is mined in West Virginia.

Answer: It is my understanding that OSMRE was not a party to the settlement negotiations involving the environmental plaintiffs and the State of West Virginia on the implementation of the State's program. I am committed to a sound regulatory program in West Virginia as in every other state. If confirmed, as Director of OSMRE I will work with West Virginia, as appropriate, to assure sound enforcement of their approved program. I will keep your office informed of our evaluation of the West Virginia program.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Wallop

1. Question: Given the public opposition to this proposal and the agency's apparent reversal of a longstanding position, will you, as the new Director of OSM, re-examine the issues in a new rulemaking and consider withdrawal of the proposal.

Answer: The Department sent a notice withdrawing this rulemaking to the Federal Register on July 18, 1989. If confirmed, I will certainly reconsider all aspects of this complex issue before making any decisions concerning additional rulemaking.

Director, Office of Surface
Mining Reclamation and
Enforcement - Designate

Senator Wallop

2. Question: Absent from OSM's December 29 proposal is an option included in the agency's Environmental Impact Statement that the Section 522(e) prohibitions would not apply to underground mining. The agency further failed to explain the reasons underlying the deletion of this proposal. (a) Why did OSM delete the above option from the rulemaking? (b) Will OSM republish this rule with all of the options for addressing subsidence from underground mining, including the interpretation that SMCRA Section 522(e) prohibitions do not apply to subsidence from underground mining?

Answer: As I have noted, the Department has withdrawn the 1988 VER proposal which also included options on subsidence. If confirmed, I intend to review all the issues addressed in that rulemaking including the extent, if any, to which the prohibitions in SMCRA Section 522(e) apply to underground extraction.

APPENDIX III

Additional Material Submitted for the Record

NASEO National Association of State Energy Officials

July 17, 1989

ENERGY COMMITTEE
RECEIVED
JUL 17 1989

By Messenger

The Honorable J. Bennett Johnston
Chairman
Committee on Energy and Natural Resources
United States Senate
SD-364
Dirksen Senate Office Building
Washington, D.C. 20510

Re: Nomination of J. Michael Davis

Dear Chairman Johnston:

I am pleased to have the opportunity to submit the enclosed written testimony on behalf of the National Association of State Energy Officials in support of the nomination of J. Michael Davis of Colorado to serve as Assistant Secretary for Conservation and Renewable Energy of the United States Department of Energy. We strongly support his nomination and we hope confirmation will occur quickly.

If we can provide further information please do not hesitate to contact us.

Sincerely,

Mitch Beaver

Mitch Beaver
Chairman

cc: The Honorable James A. McClure
Ranking Minority Member
Committee on Energy and Natural Resources
State Energy Directors
Judy Barrington
Director, Colorado Office of Energy Conservation
Frank Bishop
Jeffrey Genzer

Chairman
Mitch Beaver
(Illinois)

Immediate Past Chairman
Charles R. Guinn
(New York)

Vice Chairman
Dr. Donald E. Milsten
(Maryland)

Treasurer
Charles J. Clinton
(District of Columbia)

Secretary
Cherry L. Duckett
(Arkansas)

Paul Burks
(Georgia)

Mark Ginsberg
(Arizona)

Charles R. Imbrecht
(California)

Bob Jackson
(Missouri)

Van Jamison
(Montana)

Sharon M. Pollard
(Massachusetts)

Carol Tombari
(Texas)

Richard Watson
(Washington)

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(202) 467-6370

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NASEO National Association of State Energy Officials

TESTIMONY

Submitted by

Frank M. Beaver
Chairman
National Association of State Energy Officials

before the

Committee on Energy and Natural Resources
United States Senate

in support of the nomination of

J. Michael Davis as
Assistant Secretary for Conservation and Renewable Energy
United States Department of Energy

July 18, 1989

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(Illinois)

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(202) 467-6370

Telephone 202-639-8749 613 G Street, NW, 5th Floor, Washington, DC 20001

Chairman Johnston, Committee members, I am pleased to have the opportunity to submit written testimony in support of the nomination of J. Michael Davis to serve as Assistant Secretary for Conservation and Renewable Energy of the United States Department of Energy.

I am testifying in my role as Chairman of the National Association of State Energy Officials (NASEO), which represents state energy officials in 49 states, territories and the District of Columbia. NASEO is affiliated with the National Governors' Association. NASEO is dedicated to enhancing our national energy security by advocating a balanced national energy policy, implementing effective energy programs and educating the American public on energy issues.

We are very pleased to have this opportunity to support the nomination of J. Michael Davis to serve as Assistant Secretary for Conservation and Renewable Energy. He would be the first Assistant Secretary to come to that job with experience in the energy efficiency and renewable energy business. He served for three years as a U.S. DOE Division Manager. Subsequently, he served as a Senior Manager with the Solar Energy Research Institute (SERI). After his government service Mr. Davis was Vice President of Sunbelt Energy Corporation, a solar thermal energy company. Beginning in 1986, he has been President of GlowCore Colorado, Inc., a high efficiency HVAC sales and installation concern. He also is a registered professional engineer and we are very pleased that he served on the Advisory Board of the Colorado Office of Energy Conservation, a NASEO member. Mr. Davis spent eight years in the United States Air Force as well.

The state energy offices operate three programs which fall under the authority of this Assistant Secretary: 1) the Institutional Conservation Program (ICP); 2) the State Energy Conservation Program (SECP); and 3) the Energy Extension Service (EES). We look forward to the opportunity to work with Mr. Davis to make these successful programs even more effective and also to improve the dissemination and technology transfer of successful research conducted through the R&D efforts administered by this division of DOE.

In summary, Mr. Davis is exceedingly well-qualified for this position. He is a further example of the increased attention the new Administration is placing upon this important division at the Department of Energy.

We urge the Senate to quickly confirm this nominee and we look forward to working with him in the coming years.

Thank you for the opportunity to provide our views on this nominee.

TESTIMONY

Submitted by

Judy Harrington
Director
Colorado Office of Energy Conservation

before the

Committee on Energy and Natural Resources
United States Senate

in support of the nomination of

J. Michael Davis as
Assistant Secretary for Conservation and Renewable Energy
United States Department of Energy

July 18, 1989

STATE OF COLORADO

OFFICE OF ENERGY CONSERVATION
Department of Regulatory Agencies
112 East 14th Avenue
Denver, Colorado 80203
Phone (303) 894-2144

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Roy Romer
Governor
Steven V. Berson
Executive Director D.O R.A
Judy Harrington
Director

Chairman Johnston, Committee members, I am pleased to have the opportunity to submit written testimony in support of the nomination of Michael Davis to serve as Assistant Secretary for Conservation and Renewable Energy of the United States Department of Energy.

I submit this in my role as Director of the Colorado Office of Energy Conservation. Our office administers energy efficiency programs and delivers technical and informational services throughout Colorado's public and private sectors.

We are articularly pleased to have this opportunity to support the nomination of Michael Davis. Colorado has a reputation for its conservation ethic. And as Colorado's energy office, we are proud to stand behind Mr. Davis's nomination.

Mr. Davis is imminently qualified to serve the United State Department of Energy as an Assistant Secretary. He is at once a technical expert, who is a registered, professional engineer; a leader in the conservation and renewable arena, who has served with the Solar Energy Research Institute and as President of his own energy-related firm; and an advocate, who is both a learned expert and a confirmed disciple for the opportunities and benefits of energy efficiency.

This state energy office is extremely proud of his nomination. We believe that in this position he would serve the very best interests of the United States and the energy conservation and efficiency goals of this division at the Department of Energy. We urge the Senate to quickly confirm this nominee and look forward to working with him in the coming years.

Thank you for the opportunity to provide our views on this nominee.

SEIA

SOLAR ENERGY INDUSTRIES ASSOCIATION Suite 610 1730 North Lynn Street Arlington, Virginia 22209-2009 (703) 524-6100
FAX (703) 527-2833

TESTIMONY

by

SCOTT SKLAR
EXECUTIVE DIRECTOR
SOLAR ENERGY INDUSTRIES ASSOCIATION

before

SENATE ENERGY & NATURAL RESOURCES COMMITTEE

on

NOMINATION OF J. MICHAEL DAVIS AS ASSISTANT
SECRETARY FOR CONSERVATION & RENEWABLE
ENERGY AT THE U.S. DEPARTMENT OF ENERGY

JUNE 1989
WASHINGTON, D.C.

SOLAR ENERGY INDUSTRIES ASSOCIATION

INTRODUCTION

The Solar Energy Industries Association (SEIA), the national trade organization of the photovoltaics and solar thermal manufacturers and component suppliers, strongly endorses the nomination of J. Michael Davis for Assistant Secretary for Conservation & Renewable Energy at the U.S. Department of Energy.

Assistant Secretary-Designee Davis represents the first Assistant Secretary ever nominated that comes from the U.S. solar energy and energy conservation industries. In addition, his experience at the Solar Energy Research Institute (SERI) truly prepares him for this important task.

The Solar Energy Industries Association (SEIA) believes a speedy approval of his nomination will strengthen the solar energy programs and provide a stronger and more effective federal solar energy research effort.

A STRONG BACKGROUND

The educational, technical, and business background makes J. Michael Davis an ideal Assistant Secretary for Conservation and Renewable Energy.

Mr Davis served for three years as a Division Manager of the U.S. Department of Energy. He then served for two years as a Senior Manager at the Solar Energy Research Institute.

For over seven years, Mr. Davis was a coowner of two energy businesses. He served as Vice President of Sunbelt Energy Corporation, a leading solar thermal energy company. Since 1986, Mr. Davis served as President of GlowCore Colorado Inc., a high-efficiency HVAC sales and installation company.

Mr. Davis is a registered professional engineer and served on the Advisory Board for the Colorado Office of Energy Conservation. He served for eight years active duty in the U.S. Air Force in engineering design and construction.

CONCLUSION

The qualifications and personal experience of Mr. J. Michael Davis makes him the most qualified nominee to date for the Assistant Secretary of Conservation and Renewable Energy at the U.S. Department of Energy. The United States solar energy industries strongly believe that an individual of his calibre is extremely important for the continued success of the United States solar energy research & development effort.

SOLAR ENERGY INDUSTRIES ASSOCIATION Suite 610 1730 North Lynn Street Arlington Virginia 22209-2009 (703) 524-6100
FAX (703) 527-2833

July 24, 1989

Honorable J. Bennett Johnston
Chairman
Committee on Energy and
Natural Resources
U.S. Senate
Washington, D.C. 20510

Dear Senator Johnston:

During the confirmation hearings of Michael Davis as Assistance Secretary for Conservation and Renewable Energy on July 18th, you mentioned that the U.S. Department of Energy should be careful not to support solar technologies before they were ready such as the solar panels on The White House.

First, the U.S. Department of Energy solar research and development program has had no larger waste of expenditures than any other segment of the US/DOE research and development program. In fact, as a Senate energy aide during the 1970's, I saw a far greater amount of uncompleted research projects dollar-for-dollar in the synthetic coal programs, for instance, than in the renewable energy programs.

Second, The White House removed the solar panels allegedly for technical reasons. In fact, the Solar Energy Industries Association offered to have the panels technically evaluated (at no cost to the government) and repair the system (at no cost to the government). After being passed to The White House engineering staff, they advised SEIA that they had no idea if the solar panels were working or not, but the decision was made at a higher level. In fact as we found out later, the solar panels were removed from The White Hosue to make a political statement rather than for technical reasons. This myth should not be continued.

The Solar Energy Industries Association (SEIA), the national trade organization of the passive solar, photovoltaic, and solar thermal manufacturers and component suppliers, appreciates your support of our industry. And I hope this information will clarify any misunderstandings about the solar energy R&D programs. Thank you.

Sincerely,

Scott Sklar
Executive Director

SS/m

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